

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY
CONSOLIDATED ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

The Msunduzi Municipality and its Municipal Entity

Consolidated Annual Financial Statements for the year ended 30 June 2013

General Information

Legal form of entity	Municipality
Grading of local authority	Category - B
Controlling entity	Safe City Pietermaritzburg
Registered office	The City Hall 260 Church Street Pietermaritzburg 3201
Business address	The City Hall 260 Church Street Pietermaritzburg 3201
Postal address	The City Hall Private Bag x321 3200
Telephone	(033) 392 2006
Facsimile	(033) 392 2208
Bankers	First National Bank
Auditors	The Auditor General
Website	www.msunduzi.gov.za
Accounting Officer	M A Nkosi
Chief Finance Officer (CFO)	N M Ngcobo
Executive Committee	Mayor - CJ Ndlela Deputy Mayor - TR Zuma Member - NP Bhengu Member - M Chetty Member - M Inderjit Member - WF Lambert Member - NE Majola Member - JJ Ngubo Member - VT Xulu Member - M Schalkwyk
Councillors	Speaker - B Baijoo Whip - TV Magubane NB Ahmed R Ahmed RP Ashe N Atwaru C Bradley D Buthelezi TM Buthelezi PN Dlamini T Dlamini

General Information

AB Dlomo
SN Govender
SC Gwala
N Gumede
JM Lawrence
SP Lyne
LL Madlala
IS Madonda
TS Majola
FM Makhathini
T Matiwane
M Maphumulo
AL Mbanjwa
GR McArthur
BM Mkhize
MA Mkhize
MH Mkhize
SA Mkhize
VGM Mlete
N Msimang
C Ndawonde
MD Ndlovu
NZ Ndlovu
TP Ndlovu
BB Ngcobo
JM Ngcobo
KM Ngcobo
L Ngcobo
MA Ngcobo
T Ngcobo
PG Ngidi
DT Ntombela
DB Phungula
FR David
PB Shozi
NS Lungisani
J Singh
RB Singh
P Sithole
BS Sokhela
MS Sokhela
R Soobiah
MA Tarr
LJ Winterbach
PZ Dolo
B Zuma
BM Zuma
NJ Zungu
TRF Zungu

General Information

Nature of business and principal activities

The primary function of the Msunduzi Municipality is to provide basic services i.e. water, electricity, sewerage, water and sanitation to the Pietermaritzburg jurisdiction.

The Msunduzi Municipality is controlled by the Mayor, Deputy Mayor, the Accounting Officer, Speaker, ten Executive Committee members, and five Deputy Municipal Managers who contribute to day-to-day management.

The municipality operates within the framework of the MunicipalFinance Management Act, 56 of 2003, The Constitution, MunicipalStructures Act, 1998, Municipal Systems Act, 2000; Municipal PropertyRates Act, 2004.

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Abbreviations

ASB	Accounting Standards Board
CBD	Central Business District
COID	Compensation for Occupational Injuries and Diseases
CPI	Consumer Price Index
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
DSB	Development Services Board
FNB	First National Bank
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
KZN	Kwazulu Natal
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
NATIS	National Traffic Information System
NCT	Natal Co-operative Timber Tree Farming (Pty) Ltd
NJMPF	Natal Joint Municipal Pension Fund
NPA	Natal Provincial Administration
PAYE	Pay As You Earn
RMB	Rand Merchant Bank
UIF	Unemployment Insurance Fund
VAT	Value Added Taxation

The Msunduzi Municipality and its Municipal Entity

The Consolidated Annual Financial Statements

For the year ended 30 June 2013

I, am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 123, in terms of Section 126(1) of the Municipal Finance Management Act (56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclose in Note 29 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearer Act and the Minister of Provincial and Local Governments determination in accordance with this Act.

MA Nkosi
Municipal Manager

30/09/2013
Date

Statement of Financial Position as at 30 June 2013

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2013	2012	2013	2012
Assets					
Current Assets					
Inventories	3	61,616,846	57,007,581	61,616,846	57,007,581
Other financial assets	11	46,081	66,033	46,081	66,033
Trade and other receivables from non-exchange transactions	4	13,162,785	11,095,341	13,160,285	11,092,841
VAT receivable	16	32,341	8,482	-	-
Trade and receivables from exchange transactions	5	768,723,284	549,679,771	768,723,284	549,679,771
Short term investment		5,901,021	5,255,932	5,901,021	5,255,932
Cash and cash equivalents	6	719,173,501	622,792,510	718,068,292	621,615,314
		1,568,655,859	**1,245,905,650**	**1,567,515,809**	**1,244,717,472**
Non-Current Assets					
Investment property	9	320,520,236	381,012,346	320,520,236	381,012,346
Property, plant and equipment	7	6,409,606,999	6,361,748,617	6,409,554,692	6,361,643,397
Intangible assets	8	1,898,994	3,458,566	1,898,994	3,458,566
Heritage assets	10	176,969,036	-	176,969,036	-
Other financial assets	11	8,771,407	8,181,275	8,771,407	8,181,275
		6,917,766,672	**6,754,400,804**	**6,917,714,365**	**6,754,295,584**
Total Assets		**8,486,422,531**	**8,000,306,454**	**8,485,230,174**	**7,999,013,056**
Liabilities					
Current Liabilities					
Other financial liabilities	12	45,574,898	43,584,148	45,574,898	43,584,148
Finance lease obligation	13	1,088,857	2,248,130	1,088,857	2,248,130
Trade and other payables from exchange transactions	14	481,033,220	452,181,892	481,005,086	452,056,290
VAT payable	15	74,025,075	52,659,731	74,025,075	52,659,731
Consumer deposits	17	79,589,229	71,647,692	79,589,229	71,647,692
Unspent conditional grants and receipts	18	89,580,307	149,447,650	89,580,307	149,447,650
Provisions	19	4,396,719	311,926	4,396,719	311,926
		775,288,305	**772,081,169**	**775,260,171**	**771,955,567**
Non-Current Liabilities					
Other financial liabilities	12	540,418,309	575,954,199	540,418,309	575,954,199
Finance lease obligation	13	907,103	2,008,302	907,103	2,008,302
Retirement benefit obligation	20	480,277,982	285,724,124	480,277,982	285,724,124
Provisions	19	55,456,365	22,398,604	55,456,365	22,398,604
		1,077,059,759	**886,085,229**	**1,077,059,759**	**886,085,229**
Total Liabilities		**1,852,348,064**	**1,658,166,398**	**1,852,319,930**	**1,658,040,796**
Net Assets		**6,634,074,467**	**6,342,140,056**	**6,632,910,244**	**6,340,972,260**
Net Assets					
Issued capital	40	100	100	-	-
Reserves					
Housing development fund	21	51,092,378	55,525,904	51,092,378	55,525,904
Accumulated surplus		6,582,981,989	6,286,614,052	6,581,817,866	6,285,446,356
Total Net Assets		**6,634,074,467**	**6,342,140,056**	**6,632,910,244**	**6,340,972,260**

Statement of Financial Performance

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2013	2012	2013	2012
Revenue					
Revenue from exchange transactions					
Service charges	24	1,968,855,064	1,678,603,419	1,968,855,064	1,678,603,419
Rental received		20,896,190	17,943,780	20,896,190	17,943,780
Fees from agency services		732,726	373,664	732,726	373,664
Licences and permits		59,002	77,690	59,002	77,690
Other revenue	26	60,614,647	65,409,467	60,609,687	65,368,235
Investment revenue	27	116,379,229	84,204,607	116,334,858	84,160,636
Total revenue from exchange transactions		**2,167,536,858**	**1,846,612,627**	**2,167,487,527**	**1,846,527,424**
Revenue from non-exchange transactions					
Taxation revenue					
Property rates	23	586,643,203	505,310,156	586,643,203	505,310,156
Property rates - penalties imposed	23	39,595,547	31,244,472	39,595,547	31,244,472
Transfer revenue					
Government grants and subsidies	25	647,349,589	500,668,970	647,349,589	500,668,970
Fines		8,371,286	3,813,388	8,371,286	3,813,388
Total revenue from non-exchange transactions		**1,281,959,625**	**1,041,036,986**	**1,281,959,625**	**1,041,036,986**
Total revenue	22	**3,449,496,483**	**2,887,649,613**	**3,449,447,152**	**2,887,564,410**
Expenditure					
Employee related costs	28	(686,988,222)	(668,305,246)	(684,336,568)	(666,197,730)
Remuneration of councillors	29	(33,421,534)	(31,426,756)	(33,421,534)	(31,426,756)
Conditional grant expenditure		(110,819,310)	(35,563,903)	(110,819,310)	(35,563,903)
Depreciation and amortisation	30	(257,460,874)	(273,093,017)	(257,407,961)	(273,064,405)
Impairment of assets	31	(9,525,218)	(585,791)	(9,525,218)	(585,791)
Finance costs	32	(70,966,061)	(72,134,067)	(70,966,061)	(72,134,067)
Debt impairment	33	(201,675,062)	(58,209,770)	(201,675,062)	(58,209,770)
Collection costs		(4,615,653)	(1,539,889)	(4,615,653)	(1,539,889)
Repairs and maintenance		(97,402,050)	(68,787,056)	(97,095,088)	(68,155,398)
Bulk purchases	34	(1,370,757,844)	(1,217,334,860)	(1,370,757,844)	(1,217,334,860)
Contracted services		(17,769,190)	(21,090,729)	(17,769,190)	(21,090,729)
Grants and subsidies paid	35	(216,480)	(196,459)	(4,163,848)	(4,143,827)
General expenses	36	(245,260,717)	(205,381,032)	(244,254,448)	(204,590,320)
Total expenditure		**(3,106,878,215)**	**(2,653,648,575)**	**(3,106,807,785)**	**(2,654,037,445)**
Operating surplus		**342,618,268**	**234,001,038**	**342,639,367**	**233,526,965**
Gain on disposal of assets		3,602,027	940,864	3,602,027	940,864
Loss on donated assets		(1,341,657)	-	(1,341,657)	-
Loss on sale of movable assets		(613,184)	-	(613,184)	-
		1,647,186	**940,864**	**1,647,186**	**940,864**
Surplus before taxation		**344,265,454**	**234,941,902**	**344,286,553**	**234,467,829**
Taxation		(17,527)	125,602	-	-
Surplus for the year		**344,282,981**	**234,816,300**	**344,286,553**	**234,467,829**
Attributable to:					
Owners of the controlling entity		344,282,981	234,816,300	344,286,553	234,467,829

Statement of Changes in Net Assets

Figures in Rand	Issued capital	Housing development fund	Accumulated surplus	Total net assets
Economic entity				
Balance at 01 July 2011	**-**	**53,213,896**	**6,132,193,913**	**6,185,407,809**
Correction of prior period error	-	-	2,454,838	2,454,838
Net income (losses) recognised directly in net assets	-	-	2,454,838	2,454,838
Surplus for the year	-	-	234,816,301	234,816,301
Total recognised income and expenses for the year	-	-	237,271,139	237,271,139
Transfer to / from reserves	-	-	(20,813,373)	(20,813,373)
Correction of prior period error	-	-	687,534	687,534
Net difference of adjustments	-	-	44,379,514	44,379,514
Adjustments of infrastructure assets	-	-	(109,756,997)	(109,756,997)
Transfer to HDF	-	2,312,008	-	2,312,008
Contributions to stated benefits	-	-	(74,085,937)	(74,085,937)
Contributions to leave pay	-	-	(8,018,639)	(8,018,639)
Offset depreciation	-	-	127,281,154	127,281,154
Additional contributions received	100	-	-	100
Write back of financial instruments	-	-	(42,524,256)	(42,524,256)
Total changes	100	2,312,008	154,420,139	156,732,247
Balance at 01 July 2012	**100**	**55,525,904**	**6,286,614,050**	**6,342,140,054**
Changes in net assets				
Surplus for the year	-	-	344,282,981	344,282,981
Transfer to / from reserves	-	-	(8,397,452)	(8,397,452)
Change in accounting estimate - landfill site	-	-	(33,057,761)	(33,057,761)
Change in accounting estimate - review of useful life	-	-	28,396,843	28,396,843
Net difference of adjustments	-	-	(3,794,255)	(3,794,255)
Take on off hertiage assets	-	-	138,335,636	138,335,636
Adjustments to heritage assets	-	-	2,461,501	2,461,501
Adjustment to infrastructure assets	-	-	(135,186,689)	(135,186,689)
Contribution to stated benefits	-	-	(194,553,858)	(194,553,858)
Contribution to long service awards provision	-	-	(3,714,230)	(3,714,230)
Contribution to leave pay	-	-	(8,107,069)	(8,107,069)
Off set depreciation	-	-	147,202,713	147,202,713
Transfer to HDF	-	(4,433,526)	-	(4,433,526)
Correction of prior period error	-	-	22,499,579	22,499,579
Total changes	-	(4,433,526)	296,367,939	291,934,413
Balance at 30 June 2013	**100**	**51,092,378**	**6,582,981,989**	**6,634,074,467**
Note(s)	40	21		
Controlling entity				
Balance at 01 July 2011	**-**	**53,213,896**	**6,131,374,687**	**6,184,588,583**
Correction of prior period error	-	-	(40,069,418)	(40,069,418)
Net income (losses) recognised directly in net assets	-	-	(40,069,418)	(40,069,418)
Surplus for the year	-	-	234,467,830	234,467,830
Total recognised income and expenses for the year	-	-	194,398,412	194,398,412
Transfer to / from reserves	-	-	(20,813,373)	(20,813,373)
Correction of prior period error	-	-	687,534	687,534
Net difference of adjustments	-	-	44,379,514	44,379,514
Adjustments of infrastructure assets	-	-	(109,756,997)	(109,756,997)
Transfer to HDF	-	2,312,008	-	2,312,008
Contribution to stated benefits	-	-	(74,085,937)	(74,085,937)
Contribution to leave pay	-	-	(8,018,639)	(8,018,639)

Statement of Changes in Net Assets

Figures in Rand	Issued capital	Hedging reserve	Accumulated surplus	Total net assets
Offset depreciation	-	-	127,281,155	127,281,155
Total changes	-	2,312,008	154,071,669	156,383,677
Balance at 01 July 2012	**-**	**55,525,904**	**6,285,446,354**	**6,340,972,258**
Changes in net assets				
Surplus for the year	-	-	344,286,553	344,286,553
Changes in accounting estimate - landfill site	-	-	(33,057,762)	(33,057,762)
Changes in accounting estimate - movable assets	-	-	28,396,843	28,396,843
Contribution to leave pay	-	-	(8,107,069)	(8,107,069)
Contribution to stated benefits	-	-	(194,553,858)	(194,553,858)
Offset depreciation	-	-	147,202,713	147,202,713
Correction of prior period error	-	-	22,499,579	22,499,579
Take on of heritage assets	-	-	138,335,636	138,335,636
Adjustments to heritage assets	-	-	2,461,501	2,461,501
Transfer to / from reserves	-	-	(8,397,452)	(8,397,452)
Net difference of adjustments	-	-	(3,794,253)	(3,794,253)
Adjustment to infrastructure assets	-	-	(135,186,689)	(135,186,689)
Transfer to HDF	-	(4,433,526)	-	(4,433,526)
Contribution to long service awards	-	-	(3,714,230)	(3,714,230)
Total changes	-	(4,433,526)	296,371,512	291,937,986
Balance at 30 June 2013	**-**	**51,092,378**	**6,581,817,866**	**6,632,910,244**
Note(s)	40	21		

Cash Flow Statement

		Economic entity		Controlling entity	
Figures in Rand	Note(s)	2013	2012	2013	2012
Cash flows from operating activities					
Receipts					
Sale of goods and services		3,131,473,471	2,737,846,950	3,131,437,232	2,737,653,733
Interest income		116,334,858	91,700,909	116,334,858	91,700,909
		3,247,808,329	2,829,547,859	3,247,772,090	2,829,354,642
Payments					
Suppliers		(2,623,159,061)	(2,320,889,741)	(2,623,159,061)	(2,320,889,741)
Finance costs		(70,966,212)	(72,134,067)	(70,966,061)	(72,134,067)
Taxation paid		(108,075)	-	-	-
		(2,694,233,348)	(2,393,023,808)	(2,694,125,122)	(2,393,023,808)
Net cash flows from operating activities	39	**553,574,981**	**436,524,051**	**553,646,968**	**436,330,834**
Cash flows from investing activities					
Purchase of property, plant and equipment		(426,754,530)	(358,873,364)	(426,754,530)	(358,811,357)
Proceeds from sale of property, plant and equipment		17,824,210	1,684,430	17,824,210	1,684,430
Movement in other financial assets		(570,180)	(1,487,367)	(570,180)	(1,487,367)
Non cash movement in fixed assets		(19,184,327)	148,383,086	(19,184,327)	148,383,086
Short term investment		(645,089)	(5,255,932)	(645,089)	(5,255,932)
Net cash flows from investing activities		**(429,329,916)**	**(215,549,147)**	**(429,329,916)**	**(215,487,140)**
Cash flows from financing activities					
Net movement in long term liabilities / financial liabilities		-	112,361,377	-	112,361,377
Movement in consumer deposits		7,941,538	1,014,338	7,941,538	1,014,338
Repayment of borrowings		(35,805,612)	(49,779,370)	(35,805,612)	(49,779,370)
Net cash flows from financing activities		**(27,864,074)**	**65,596,345**	**(27,864,074)**	**63,596,345**
Net increase/(decrease) in cash and cash equivalents		**96,380,991**	**287,886,830**	**96,452,978**	**287,711,549**
Cash and cash equivalents at the beginning of the year		622,792,510	334,905,680	621,615,314	333,903,765
Cash and cash equivalents at the end of the year	6	**719,173,501**	**622,792,510**	**718,068,292**	**621,615,314**

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Economic entity						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	1,927,023,557	28,446,979	**1,955,470,536**	1,968,855,064	**13,384,528**	
Rental received	19,533,772	4,415,717	**23,949,489**	20,896,190	**(3,053,299)**	
Fees from agency services	382,025	151,024	**533,049**	732,726	**199,677**	
Licences and permits	74,388	(30,036)	**44,352**	59,002	**14,650**	
Other revenue	172,825,989	44,386,085	**217,212,074**	60,614,647	**(156,597,427)**	
Interest investment	12,100,000	7,408,285	**19,508,285**	116,379,229	**96,870,944**	
Total revenue from exchange transactions	**2,131,939,731**	**84,778,054**	**2,216,717,785**	**2,167,536,858**	**(49,180,927)**	
Revenue from non-exchange transactions						
Taxation revenue						
Property rates	576,401,674	-	**576,401,674**	586,643,203	**10,241,529**	
Property rates - penalties imposed	33,812,264	13,688,803	**47,501,067**	39,595,547	**(7,905,520)**	
Government grants & subsidies	365,204,000	151,400,045	**516,604,045**	647,349,589	**130,745,544**	
Transfer revenue						
Fines	3,474,571	4,391,340	**7,865,911**	8,371,286	**505,375**	
Total revenue from non-exchange transactions	**978,892,509**	**169,480,188**	**1,148,372,697**	**1,281,959,625**	**133,586,928**	
Total revenue	**3,110,832,240**	**254,258,242**	**3,365,090,482**	**3,449,496,483**	**84,406,001**	
Expenditure						
Employee related costs	(723,860,279)	(22,081,050)	**(745,941,329)**	(686,988,222)	**58,953,107**	
Remuneration of councillors	(34,000,000)	-	**(34,000,000)**	(33,421,534)	**578,466**	
Conditional grant expenditure	(26,301,000)	(103,952,077)	**(130,253,077)**	(110,819,310)	**19,433,767**	
Depreciation and amortisation	(280,453,701)	(2)	**(280,453,703)**	(257,460,874)	**22,992,829**	
Impairment of assets	-	-	**-**	(9,525,218)	**(9,525,218)**	
Finance costs	(77,500,000)	5,947,629	**(71,552,371)**	(70,966,061)	**586,310**	
Debt impairment	(250,342,423)	-	**(250,342,423)**	(201,675,062)	**48,667,361**	
Collection costs	(2,505,000)	(2,287,217)	**(4,792,217)**	(4,615,653)	**176,564**	
Repairs and maintenance	(102,390,407)	(8,535,855)	**(110,926,262)**	(97,402,050)	**13,524,212**	
Bulk purchases	(1,382,923,469)	(23,580,543)	**(1,406,504,012)**	(1,370,757,844)	**35,746,168**	
Contracted Services	(14,997,000)	(2,772,190)	**(17,769,190)**	(17,769,190)	**-**	
Grants and subsidies paid	(4,500,000)	(216,480)	**(4,716,480)**	(216,480)	**4,500,000**	
General expenses	(205,487,787)	(93,560,112)	**(299,047,899)**	(245,260,717)	**53,787,182**	
Total expenditure	**(3,105,261,066)**	**(251,037,897)**	**(3,356,298,963)**	**(3,106,878,215)**	**249,420,748**	
Operating surplus	**5,571,174**	**3,220,345**	**8,791,519**	**342,618,268**	**333,826,749**	
Gain or loss on disposal of assets	-	(19,180,714)	**(19,180,714)**	3,602,027	**22,782,741**	
Loss on donated assets	-	-	**-**	(1,341,657)	**(1,341,657)**	
Loss on sale of movable assets	-	198,996	**198,996**	(613,184)	**(812,180)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	-	**(18,981,718)**	**(18,981,718)**	**1,647,186**	**20,628,904**	
Surplus before taxation	**5,571,174**	**(15,761,373)**	**(10,190,199)**	**344,265,454**	**354,455,653**	
Taxation	-	-	**-**	(17,527)	**(17,527)**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**5,571,174**	**(15,761,373)**	**(10,190,199)**	**344,282,981**	**354,473,180**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of Financial Position						
Assets						
Current Assets						
Inventories	53,719,600	-	**53,719,600**	61,616,846	**7,897,246**	
Other financial assets	43,584,148	-	**43,584,148**	46,081	**(43,538,067)**	
Trade and other receivables from non-exchange transactions	8,254,451	-	**8,254,451**	13,162,785	**4,908,334**	
VAT receivable	-	-	**-**	32,341	**32,341**	
Trade and other receivables from exchange transactions	745,460,939	-	**745,460,939**	768,723,284	**23,262,345**	
Short term investment	-	-	**-**	5,901,021	**5,901,021**	
Cash and cash equivalents	573,308,200	136,347,789	**709,655,989**	719,173,501	**9,517,512**	
	1,424,327,338	**136,347,789**	**1,560,675,127**	**1,568,655,859**	**7,980,732**	
Non-Current Assets						
Investment property	-	-	**-**	320,520,236	**320,520,236**	
Property, plant and equipment	7,114,139,917	-	**7,114,139,917**	6,409,606,999	**(704,532,918)**	
Intangible assets	-	-	**-**	1,898,993	**1,898,993**	
Heritage assets	-	-	**-**	176,969,036	**176,969,036**	
Other financial assets	7,890,783	442	**7,891,225**	8,771,407	**880,182**	
	7,122,030,700	**442**	**7,122,031,142**	**6,917,766,671**	**(204,264,471)**	
Total Assets	**8,546,358,038**	**136,348,231**	**8,682,706,269**	**8,486,422,530**	**(196,283,739)**	
Liabilities						
Current Liabilities						
Other financial liabilities	43,584,148	-	**43,584,148**	45,574,898	**1,990,750**	
Finance lease obligation	-	-	**-**	1,088,857	**1,088,857**	
Trade and other payables from exchange transactions	183,466,447	-	**183,466,447**	481,033,220	**297,566,773**	
VAT payable	79,141,043	-	**79,141,043**	74,025,075	**(5,115,968)**	
Consumer deposits	70,829,011	-	**70,829,011**	79,589,229	**8,760,218**	
Unspent conditional grants and receipts	-	-	**-**	89,580,307	**89,580,307**	
Provisions	-	-	**-**	4,396,719	**4,396,719**	
	377,020,649	**-**	**377,020,649**	**775,288,305**	**398,267,656**	
Non-Current Liabilities						
Other financial liabilities	647,309,048	-	**647,309,048**	540,418,309	**(106,890,739)**	
Finance lease obligation	2,585,336	-	**2,585,336**	907,103	**(1,678,233)**	
Retirement benefit obligation	-	-	**-**	480,277,982	**480,277,982**	
Provisions	-	-	**-**	55,456,365	**55,456,365**	
	649,894,384	**-**	**649,894,384**	**1,077,059,759**	**427,165,375**	
Total Liabilities	**1,026,915,033**	**-**	**1,026,915,033**	**1,852,348,064**	**825,433,031**	
Net Assets	**7,519,443,005**	**136,348,231**	**7,655,791,236**	**6,634,074,466**	**(1,021,716,770)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Net Assets						
Net Assets Attributable to Owners of Controlling Entity						
Issued capital	-	-	**-**	100	**100**	
Reserves						
Housing development fund	53,257,910	90	**53,258,000**	51,092,378	**(2,165,622)**	
Accumulated surplus	7,466,185,095	136,348,141	**7,602,533,236**	6,582,981,988	**(1,019,551,248)**	
Total Net Assets	**7,519,443,005**	**136,348,231**	**7,655,791,236**	**6,634,074,466**	**(1,021,716,770)**	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Sale of goods and services	2,955,362,000	731,952,077	**3,687,314,077**	3,131,473,471	**(555,840,606)**	
Interest income	12,100,000	6,256,634	**18,356,634**	116,334,858	**97,978,224**	
	2,967,462,000	**738,208,711**	**3,705,670,711**	**3,247,808,329**	**(457,862,382)**	
Payments						
Suppliers	(2,646,549,000)	(574,615,181)	**(3,221,164,181)**	(2,623,159,061)	**598,005,120**	
Finance costs	(77,500,000)	6,669,325	**(70,830,675)**	(70,966,212)	**(135,537)**	
Taxation paid	-	-	**-**	(108,075)	**(108,075)**	
	(2,724,049,000)	**(567,945,856)**	**(3,291,994,856)**	**(2,694,233,348)**	**597,761,508**	
Net cash flows from operating activities	**243,413,000**	**170,262,855**	**413,675,855**	**553,574,981**	**139,899,126**	
Cash flows from investing activities						
Purchase of property, plant and equipment	(230,014,000)	(33,915,146)	**(263,929,146)**	(426,754,530)	**(162,825,384)**	
Proceeds from sale of property, plant and equipment	-	-	**-**	17,824,210	**17,824,210**	
Movement in other financial assets	530,000	-	**530,000**	(570,180)	**(1,100,180)**	
Non cash movement in fixed assets	-	-	**-**	(19,184,327)	**(19,184,327)**	
Short term investment	-	-	**-**	(645,089)	**(645,089)**	
Net cash flows from investing activities	**(229,484,000)**	**(33,915,146)**	**(263,399,146)**	**(429,329,916)**	**(165,930,770)**	
Cash flows from financing activities						
Movement in consumer deposits	(14,000)	-	**(14,000)**	7,941,538	**7,955,538**	
Repayment of borrowings	(19,729,000)	-	**(19,729,000)**	(35,805,612)	**(16,076,612)**	
Net cash flows from financing activities	**(19,743,000)**	**-**	**(19,743,000)**	**(27,864,074)**	**(8,121,074)**	
Net increase/(decrease) in cash and cash equivalents	(5,814,000)	136,347,709	**130,533,709**	96,380,991	**(34,152,718)**	
Cash and cash equivalents at the beginning of the year	706,042,395	(5,814,000)	**700,228,395**	622,792,510	**(77,435,885)**	
Cash and cash equivalents at the end of the year	**700,228,395**	**130,533,709**	**830,762,104**	**719,173,501**	**(111,588,603)**	

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Economic entity - 2013											
Financial Performance											
Property rates	610,214,000	13,689,000	623,903,000	-		623,903,000	626,238,750		2,335,750	100 %	103 %
Service charges	1,927,023,000	28,448,000	1,955,471,000	-		1,955,471,000	1,968,855,064		13,384,064	101 %	102 %
Investment revenue	12,100,000	6,256,000	18,356,000	-		18,356,000	116,379,229		98,023,229	634 %	962 %
Transfers recognised - operational	365,204,000	57,165,000	422,369,000	-		422,369,000	450,812,560		28,443,560	107 %	123 %
Other own revenue	73,250,000	44,684,000	117,934,000	-		117,934,000	94,275,878		(23,658,122)	80 %	129 %
Total revenue (excluding capital transfers and contributions)	**2,987,791,000**	**150,242,000**	**3,138,033,000**	**-**		**3,138,033,000**	**3,256,561,481**		**118,528,481**	**104 %**	**109 %**
Employee costs	(713,415,000)	(18,513,000)	(731,928,000)	-	-	(731,928,000)	(686,988,222)	-	44,939,778	94 %	96 %
Remuneration of councillors	(34,000,000)	-	(34,000,000)	-	-	(34,000,000)	(33,421,534)	-	578,466	98 %	98 %
Debt impairment	(250,344,000)	-	(250,344,000)			(250,344,000)	(201,675,062)	-	48,668,938	81 %	81 %
Depreciation and asset impairment	(158,000,000)	-	(158,000,000)			(158,000,000)	(266,986,092)	-	(108,986,092)	169 %	169 %
Finance charges	(77,500,000)	6,669,000	(70,831,000)	-	-	(70,831,000)	(70,966,061)	-	(135,061)	100 %	92 %
Materials and bulk purchases	(1,397,078,000)	(28,472,000)	(1,425,550,000)	-	-	(1,425,550,000)	(1,370,757,844)	-	54,792,156	96 %	98 %
Transfers and grants	(4,500,000)	(4,500,000)	(9,000,000)	-	-	(9,000,000)	(216,480)	-	8,783,520	2 %	5 %
Other expenditure	(347,809,000)	(101,776,000)	(449,585,000)	-	-	(449,585,000)	(477,821,761)	-	(28,236,761)	106 %	137 %
Total expenditure	**(2,982,646,000)**	**(146,592,000)**	**(3,129,238,000)**	**-**	**-**	**(3,129,238,000)**	**(3,108,833,056)**	**-**	**20,404,944**	**99 %**	**104 %**
Surplus/(Deficit)	**5,145,000**	**3,650,000**	**8,795,000**	**-**		**8,795,000**	**147,728,425**		**138,933,425**	**1,680 %**	**1,680 %**

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	230,014,000	(13,295,000)	216,719,000	-		216,719,000	196,537,029		(20,181,971)	91 %	85 %
Surplus (Deficit) after capital transfers and contributions	**235,159,000**	**(9,645,000)**	**225,514,000**	**-**		**225,514,000**	**344,265,454**		**118,751,454**	**153 %**	**146 %**
Taxation	-	-	-	-		-	(17,527)		(17,527)	DIV/0 %	DIV/0 %
Surplus/(Deficit) for the year	**235,159,000**	**(9,645,000)**	**225,514,000**	**-**		**225,514,000**	**344,282,981**		**118,768,981**	**153 %**	**146 %**
Capital expenditure and funds sources											
Sources of capital funds											
Transfers recognised - capital	230,014,000	(13,295,000)	216,719,000	-		216,719,000	-		(216,719,000)	- %	- %

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and s31 of the MFMA)	Final adjustments budget	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	243,413,000	170,263,000	413,676,000	-		413,676,000	553,574,981		139,898,981	134 %	227 %
Net cash from (used) investing	(229,484,000)	(34,445,000)	(263,929,000)	-		(263,929,000)	(429,329,916)		(165,400,916)	163 %	187 %
Net cash from (used) financing	(19,743,000)	-	(19,743,000)	-		(19,743,000)	(27,864,074)		(8,121,074)	141 %	141 %
Net increase/(decrease) in cash and cash equivalents	**(5,814,000)**	**135,818,000**	**130,004,000**	**-**		**130,004,000**	**96,380,991**		**(33,623,009)**	**74 %**	**(1,658)%**
Cash and cash equivalents at the beginning of the year	706,042,000	(706,042)	705,335,958	-		705,335,958	622,792,510		(82,543,448)	88 %	88 %
Cash and cash equivalents at year end	**700,228,000**	**135,111,958**	**835,339,958**	**-**		**835,339,958**	**719,173,501**		**(116,166,457)**	**86 %**	**103 %**

Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
Economic entity - 2012				
Financial Performance				
Property rates				536,554,628
Service charges				1,678,603,419
Investment revenue				84,204,607
Transfers recognised - operational				351,598,902
Other own revenue				88,558,853
Total revenue (excluding capital transfers and contributions)				**2,739,520,409**
Employee costs	-	-	-	(668,305,246)
Remuneration of councillors	-	-	-	(31,426,756)
Debt impairment	-	-	-	(58,209,770)
Depreciation and asset impairment	-	-	-	(273,678,808)
Finance charges	-	-	-	(72,134,067)
Materials and bulk purchases	-	-	-	(1,217,334,860)
Transfers and grants	-	-	-	(196,459)
Other expenditure	-	-	-	(332,362,609)
Total expenditure	**-**	**-**	**-**	**(2,653,648,575)**
Surplus/(Deficit)				**85,871,834**
Transfers recognised - capital				149,070,068
Surplus (Deficit) after capital transfers and contributions				**234,941,902**
Taxation				(125,602)
Surplus/(Deficit) for the year				**235,067,504**

Appropriation Statement

Figures in Rand

	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated audited outcome
Cash flows				
Net cash from (used) operating				436,524,051
Net cash from (used) investing				(215,549,147)
Net cash from (used) financing				65,596,345
Net increase/(decrease) in cash and cash equivalents				**286,571,249**
Cash and cash equivalents at the beginning of the year				-
Cash and cash equivalents at year end				**286,571,249**

Accounting Policies

1. Presentation of Consolidated Annual Financial Statements

The consolidated annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These consolidated annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

A summary of the significant accounting policies, which have been consistently applied, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the consolidated annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the consolidated annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated annual financial statements. Significant judgements include:

Trade receivables / Held to maturity investments and/or loans and receivables

The economic entity assesses its trade receivables, held to maturity investments and loans and receivables for impairment at each statement of financial position date. In determining whether an impairment loss should be recorded in the statement of financial performance, the inventories makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the economic entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The economic entity uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the statement of financial position date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the economic entity for similar financial instruments.

The carrying amount of available-for-sale financial assets would be an estimated - lower or - higher were the discounted rate used in the discount cash flow analysis to differ by 10% from management's estimates.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values. These calculations require the use of estimates and assumptions.

Accounting Policies

1.1 Consolidation (continued)

The economic entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including , together with economic factors .

Useful lives of waste and water network and other assets

The municipality's management determines the estimated useful lives and related depreciation charges for the waste water and water networks. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Effective interest rate

The economic entity used the prime interest rate to discount future cash flows.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statement the the year ended 30 June 2012 incorporate the annual financial statements of the municipality and the municipal group.

The consolidated annual financial statements of the municipality and its municipal group are used in the preparation of the consolidated annual financial statements and are prepared as the same reporting date.

The results of municipal entity, are included in the consolidated consolidated annual financial statements from the effective date of acquisition. Where neccessary adjustments are made to the consolidated annual financial statements of the municipal group to bring their accounting policies used in line with those of the municipality.

All intra-entity transactions, balances, revenues and expenses are eliminated in full on consolidation.

Minority interests in the net assets of the economic entity are identified and recognised separately from the controlling entity's interest therein, and are recognised within net assets. Losses applicable to the minority in a consolidated controlled entity may exceed the minority interest in the controlled entity’s net assets. The excess, and any further losses applicable to the minority, are allocated against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make an additional investment to cover the losses. If the controlled entity subsequently reports surpluses, such surpluses are allocated to the majority interest until the minority’s share of losses previously absorbed by the majority has been recovered.

Minority interests in the surplus or deficit of the economic entity is separately disclosed.

1.3 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Accounting Policies

1.3 Inventories (continued)

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the economic entity incurs to acquire the asset on the reporting date.

The cost of economic entity comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the economic entity to their present location and condition.

The cost of economic entity of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of economic entity is assigned using the formula. The same cost formula is used for all economic entity having a similar nature and use to the economic entity.

When economic entity are sold, the carrying amounts of those economic entity are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of economic entity to net realisable value or current replacement cost and all losses of economic entity are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of economic entity, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of economic entity recognised as an expense in the period in which the reversal occurs.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Accounting Policies

1.4 Property, plant and equipment (continued)

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	**Average useful life**
Land	Infinite
Furniture and fixtures	7 - 10 years
Infrastructure	
• Roads and paving	5 - 100 years
• Pedestrian malls	30 years
• Electricity	10 - 100 years
• Water	10 - 100 years
• Sewerage	10 - 100 years
• Storm Water	20 years
• Housing	3 - 30 years
Community	
• Buildings	10 - 50 years
• Recreational facilities	10 - 100 years
• Security	5 years
• Watercraft	15 years
Other property, plant and equipment	2 - 5 years
Office equipment	3 - 7 years
Other	
• Vehicles	5 years
• Bins and conainers	5 years
• Landfill sites	15 years
• Specialised vehicles	10 years
• Specialised property, plant and equipment	10 - 15 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Accounting Policies

1.5 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for
- administrative purposes, or
- sale in the ordinary course of operations.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the economic entity, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Item	Average useful life
Property - land	Indefinite
Property - buildings	5 - 50 years

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

No depreciation is calculated on these properties.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises

1.6 Heritage assets

Assets are resources controlled by an economic entity as a result of past events and from which future economic benefits or service potential are expected to flow to the economic entity.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in an economic entity's operations that is shown as a single item for the purpose of disclosure in the consolidated annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that an economic entity is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Accounting Policies

1.6 Heritage assets (continued)

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Transitional provision

According to the transitional provision, the economic entity is not required to measure heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Heritage assets. Heritage assets have accordingly been recognised at provisional amounts, as disclosed in . The transitional provision expires on 2015/06/30.

In accordance with the transitional provision as per Directive 2 of the GRAP Reporting Framework, where heritage assets was acquired through a transfer of functions, the economic entity is not required to measure that heritage assets for a period of three years from the effective date of the transfer of functions or the effective date of the Standard, whichever is later. The economic entity acquired a transfer(s) of function in Controlling entity - 2013 and heritage assets have accordingly been recognised at provisional amounts, as disclosed in .

Until such time as the measurement period expires and heritage assets is recognised and measured in accordance with the requirements of the Standard of GRAP on Heritage assets, the economic entity need not comply with the Standards of GRAP on (to the extent that these Standards prescribe requirements for heritage assets):

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Non-current Assets Held for Sale and Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Heritage assets implies that any associated presentation and disclosure requirements need not be complied with for heritage assets not measured in accordance with the requirements of the Standard of GRAP on Heritage assets.

1.7 Intangible assets

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the economic entity or from other rights and obligations.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the economic entity; and
- the cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Accounting Policies

1.7 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software, internally generated	3 - 5 years
Computer software, other	3 - 5 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss is the difference between the net disposal proceeds, if any, and the carrying amount. It is recognised in surplus or deficit when the asset is derecognised.

1.8 Non-current assets held for sale (and) (disposal groups)

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

1.9 Impairment of cash-generating assets

Cash-generating assets are those assets held by the economic entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the economic entity also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Accounting Policies

1.9 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the economic entity estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the economic entity applies the appropriate discount rate to those future cash flows.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

1.9 Impairment of cash-generating assets (continued)

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the economic entity determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the economic entity use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the entity does not reduce the carrying amount of an asset below the highest of:

- its fair value less costs to sell (if determinable);
- its value in use (if determinable); and
- zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash-generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.

Accounting Policies

1.9 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are those assets held by the economic entity with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Non-cash-generating assets are assets other than cash-generating assets.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The economic entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the economic entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Accounting Policies

1.10 Impairment of non-cash-generating assets (continued)

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the economic entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Restoration cost approach

Restoration cost is the cost of restoring the service potential of an asset to its pre-impaired level. The present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment. The latter cost is determined as the depreciated reproduction or replacement cost of the asset, whichever is lower.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The economic entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the economic entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Impairment of non-cash-generating assets (continued)

Redesignation

The redesignation of assets from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occur when there is clear evidence that such a redesignation is appropriate.

1.11 Investments

Where the carrying amount of an investment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

1.12 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the municipality's incremental borrowing rate.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability

Any contingent rents are expensed in the period in which they are incurred

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. The classification of the lease is determined using GRAP 13 – Leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

Any contingent rents are expensed in the period they are incurred.

1.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm’s length transaction.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

1.13 Financial instruments (continued)

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:
- derivatives;
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at amortised cost

The entity has the following types of residual interests (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

1.13 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an entity calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment..

Financial assets measured at amortised cost.

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through use of an doutfull debt provision account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant doutfull debt provision account. Subsequent recoveries of amounts previously written off are credited against operating expense.s

1.13 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Accounting Policies

1.14 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits: Defined contribution plans

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

Accounting Policies

1.14 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the entity recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The entity account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the entity's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The entity measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The entity determine the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the consolidated annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

Accounting Policies

1.14 Employee benefits (continued)

The entity recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The entity uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an entity shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an entity shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The entity recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the entity re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

The entity offsets an asset relating to one plan against a liability relating to another plan when the entity has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

1.14 Employee benefits (continued)

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
- those changes were enacted before the reporting date; or
- past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Pension Obligations

The municipality and its employees contribute to 7 different Pension Funds, of which 2 (The Natal Joint Provident and Retirement Pension Fund) cater for the majority of the staff.

Natal Joint Retirement Funds, Government Employee Pension Fund and Associated Institution Pension Fund are defined benefit funds.

The Natal Joint Provident Fund, Pietermaritzburg and South African Local Authority are defined contribution funds.

The schemes are funded through payments to financial consultant companies or trustee-administered funds, determined by periodic actuarial calculations.

The Municipality has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. A defined contribution plan is a pension plan under which the Municipality pays fixed contributions into a separate entity. The Municipality has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans, the Municipality pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Municipality has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.15 Provisions and contingencies

Provisions are recognised when:

- the economic entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

1.15 Provisions and contingencies (continued)

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the economic entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the economic entity

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 45.

1.16 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.17 Use of Estimates

The preparation of consolidated annual financial statements in conformity with Generally Recognised Accounting Practice requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the economic entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in the relevant sections of the consolidated annual financial statements. Although these estimates are based on management's best knowledge of current events and actions they may undertake in the future, actual results ultimately may differ from those estimates.

Accounting Policies

1.18 Correction of prior period errors

When accounting errors have been identified in the current year , the correction is applied retrospectively as far as it is practicable and the prior year comparatives are restated accordingly. When there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as it is practicable and the pior year comparative is restated accordingly .

1.19 Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP, GRAP or GAAP.

1.20 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.21 Budget information

Economic Entity are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by economic entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2010/04/01 to 2011/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The consolidated annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.22 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.23 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Accounting Policies

1.23 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the economic entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the economic entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the economic entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by .

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

1.24 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an municipality, which represents an increase in net assets, other than increases relating to contributions from owners.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an municipality either receives value from another municipality without directly giving approximately equal value in exchange, or gives value to another municipality without directly receiving approximately equal value in exchange.

Accounting Policies

1.24 Revenue from non-exchange transactions (continued)

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting municipality.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Fines

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

Where the municipality collects fines in the capacity of an agent, the fine will not be revenue of the collecting entity.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the municipality and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are not recognised.

1.25 Conditional Grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.26 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote;
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.27 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.28 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.29 Borrowing costs

It is inappropriate to capitalise borrowing costs when, and only when, there is clear evidence that it is difficult to link the borrowing requirements of an entity directly to the nature of the expenditure to be funded i.e. capital or current.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.30 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each statement of financial position date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated annual financial statement the the year ended 30 June 2012 are recognised in surplus or deficit in the period in which they arise.

When a gain or loss on a non-monetary item is recognised directly in equity, any exchange component of that gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in surplus or deficit, any exchange component of that gain or loss is recognised in surplus or deficit.

Accounting Policies

1.30 Translation of foreign currencies (continued)

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

1.31 Grant in aid

The economic entity transfers money to individuals, institutions and organisations. When making these transfers, Theeconomic entity does not:

Receive any goods or services directly in return, as would be expected in a purchase or sale transaction

Expect to be repaid in future; or

Expect a financial return, as would be expected from an investment

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.32 Issued capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the economic entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:

- GRAP 5 : Browing costs
- GRAP 23 : Revenue from Non Exchange Transactions
- GRAP 24: Presentation of Budget Information in the Financial Statements
- GRAP 103: Heritage Assets
- IGRAP 1: Interpretation of GRAP: Applying the Probability Test on Initial Recognition of Exchange Revenue
- GRAP 21: Impairment of non-cash-generating assets
- GRAP 26: Impairment of cash-generating assets
- GRAP 25: Employee benefits
- GRAP 104: Financial Instruments
- IGRAP 2: Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IGRAP 3: Determining Whether an Arrangement Contains a Lease
- IGRAP 4: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5: Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6: Loyalty Programmes
- IGRAP 7: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8: Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9: Distributions of Non-cash Assets to Owners
- IGRAP 10: Assets Received from Customers
- IGRAP 13: Operating Leases – Incentives
- IGRAP 14: Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP 15: Revenue – Barter Transactions Involving Advertising Services
- GRAP 2 (as revised 2010): Cash Flow Statements
- GRAP 4 (as revised 2010): The Effects of Changes in Foreign Exchange Rates
- GRAP 10 (as revised 2010): Financial Reporting in Hyperinflationary Economies
- GRAP 11 (as revised 2010): Construction Contracts
- GRAP 19 (as revised 2010): Provisions, Contingent Liabilities and Contingent Assets
- GRAP 100 (as revised 2010): Non-current Assets Held for Sale and Discontinued Operations
- GRAP 20: Related parties
- GRAP 6 (as revised 2010): Consolidated and Separate Financial Statements
- GRAP 8 (as revised 2010): Interests in Joint Ventures
- GRAP 1 (as revised 2012): Presentation of Financial Statements
- GRAP 3 (as revised 2012): Accounting Policies, Change in Accounting Estimates and Errors
- GRAP 7 (as revised 2012): Investments in Associates

2. New standards and interpretations (continued)

- GRAP 9 (as revised 2012): Revenue from Exchange Transactions
- GRAP 12 (as revised 2012): Inventories
- GRAP 13 (as revised 2012): Leases
- GRAP 16 (as revised 2012): Investment Property
- GRAP 17 (as revised 2012): Property, Plant and Equipment
- GRAP 27 (as revised 2012): Agriculture (Replaces GRAP 101)
- GRAP 31 (as revised 2012): Intangible Assets (Replaces GRAP 102)

2.2 Standards and interpretations issued, but not yet effective

The economic entity has not applied the following standards and interpretations, which have been published and are mandatory for the economic entity's accounting periods beginning on or after 01 July 2013 or later periods:

Standard/ Interpretation:

- GRAP 18: Segment Reporting
- GRAP 105: Transfers of functions between entities under common control
- GRAP 106: Transfers of functions between entities not under common control
- GRAP 107: Mergers

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

3. Inventories

Forestry	37,915,260	39,707,816	37,915,260	39,707,816
Consumable stores	21,370,813	18,073,107	21,370,813	18,073,107
Workshop stores	674,292	674,292	674,292	674,292
Water stock	5,004,945	1,745,146	5,004,945	1,745,146
Fuel - diesel, and petrol	1,283,232	1,345,546	1,283,232	1,345,546
	66,248,542	61,545,907	66,248,542	61,545,907
Impairment of inventories	(4,631,696)	(4,538,326)	(4,631,696)	(4,538,326)
	61,616,846	**57,007,581**	**61,616,846**	**57,007,581**
Carrying value of inventories carried at fair value less costs to sell	61,616,846	57,007,581	61,616,846	57,007,581

Inventory has been recorded using the First in First out (FIFO) method. Impairment of inventory includes redundant and obsolete stock of R 93 369 2013 : (R nil - 2012).

Inventory is carried at lower of cost or net realisable value.

Cost of inventories recognised as an expense

Consumable / workshop stores	30,175,594	17,983,504	30,175,594	17,983,504
Fuel - diesel and petrol	20,124,046	18,219,723	20,124,046	18,219,723
Forestry	9,536,663	10,300,772	9,536,663	10,300,772
Unused water	331,397,259	297,924,964	331,397,259	297,924,964

4. Trade and other receivables from non-exchange transactions

Deposits	2,500	2,500	-	-
Other debtors	10,829,555	8,762,111	10,829,555	8,762,111
Land sale debtors	2,330,730	2,330,730	2,330,730	2,330,730
	13,162,785	**11,095,341**	**13,160,285**	**11,092,841**

Trade and other receivables pledged as security

Trade and other receivables were not pledged as security for overdraft facilities.

Credit quality of trade and other receivables

Although credit quality can be assessed the municipality did not apply any methods to evaluate the credit quality.

Fair value of other receivables from non-exchange transactions

5. Trade and receivables from exchange transactions

Gross balances				
Rates	341,404,969	248,525,376	341,404,969	248,525,376
Electricity	867,698,713	632,551,236	867,698,713	632,551,236
Water	201,113,991	141,789,725	201,113,991	141,789,725
Sewerage	43,562,145	34,713,908	43,562,145	34,713,908
Refuse	74,193,951	53,649,944	74,193,951	53,649,944
Housing rental	26,466,781	22,492,343	26,466,781	22,492,343
	1,554,440,550	**1,133,722,532**	**1,554,440,550**	**1,133,722,532**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

5. Trade and receivables from exchange transactions (continued)

Less: Allowance for impairment				
Rates	(185,850,477)	(138,147,084)	(185,850,477)	(138,147,084)
Electricity	(497,023,598)	(369,449,885)	(497,023,598)	(369,449,885)
Water	(102,843,191)	(76,445,792)	(102,843,191)	(76,445,792)
	(785,717,266)	**(584,042,761)**	**(785,717,266)**	**(584,042,761)**
Net balance				
Rates	155,554,492	110,378,292	155,554,492	110,378,292
Electricity	370,675,115	263,101,351	370,675,115	263,101,351
Water	98,270,800	65,343,933	98,270,800	65,343,933
Sewerage	43,562,145	34,713,908	43,562,145	34,713,908
Refuse	74,193,951	53,649,944	74,193,951	53,649,944
Housing rental	26,466,781	22,492,343	26,466,781	22,492,343
	768,723,284	**549,679,771**	**768,723,284**	**549,679,771**
Rates				
Current (0 -30 days)	67,213,072	52,704,990	67,213,072	52,704,990
31 - 60 days	12,063,528	8,232,502	12,063,528	8,232,502
61 - 90 days	10,342,909	7,395,395	10,342,909	7,395,395
91 - 120 days	9,760,730	7,206,656	9,760,730	7,206,656
121 - 365 days	7,978,606	6,221,333	7,978,606	6,221,333
> 365 days	234,046,123	172,363,517	234,046,123	172,363,517
	341,404,968	**254,124,393**	**341,404,968**	**254,124,393**
Electricity , refuse, sewerage, water and housing rentals				
Current (0 -30 days)	323,985,255	270,989,884	323,985,255	270,989,884
31 - 60 days	45,108,744	26,031,056	45,108,744	26,031,056
61 - 90 days	35,181,659	27,527,738	35,181,659	27,527,738
91 - 120 days	29,813,880	22,938,452	29,813,880	22,938,452
121 - 365 days	24,577,881	40,705,356	24,577,881	40,705,356
> 365 days	754,368,162	491,405,652	754,368,162	491,405,652
	1,213,035,581	**879,598,138**	**1,213,035,581**	**879,598,138**
Summary of debtors by customer classification				
Consumers				
Current (0 -30 days)	153,339,083	142,606,256	153,339,083	142,606,256
31 - 60 days	41,462,942	25,946,651	41,462,942	25,946,651
61 - 90 days	31,805,182	27,969,073	31,805,182	27,969,073
91 - 120 days	28,699,419	24,238,127	28,699,419	24,238,127
121 - 365 days	24,553,088	41,086,691	24,553,088	41,086,691
> 365 days	735,399,462	525,280,050	735,399,462	525,280,050
	1,015,259,176	787,126,848	1,015,259,176	787,126,848
Less : Allowance for debt impairment	(692,492,191)	(525,280,095)	(692,492,191)	(525,280,095)
	322,766,985	**261,846,753**	**322,766,985**	**261,846,753**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

5. Trade and receivables from exchange transactions (continued)

Industrial/ commercial				
Current (0 -30 days)	183,874,569	152,035,932	183,874,569	152,035,932
31 - 60 days	7,239,405	5,079,658	7,239,405	5,079,658
61 - 90 days	6,145,861	4,444,671	6,145,861	4,444,671
91 - 120 days	4,766,975	3,392,032	4,766,975	3,392,032
121 - 365 days	3,057,759	3,005,422	3,057,759	3,005,422
> 365 days	95,093,410	74,458,490	95,093,410	74,458,490
	300,177,979	242,416,205	300,177,979	242,416,205
Less : Allowance for debt impairment	(93,225,075)	(58,762,666)	(93,225,075)	(58,762,666)
	206,952,904	**183,653,539**	**206,952,904**	**183,653,539**
National and provincial government				
Current (0 -30 days)	28,056,730	24,350,623	28,056,730	24,350,623
31 - 60 days	4,412,710	3,341,918	4,412,710	3,341,918
61 - 90 days	4,280,712	2,315,170	4,280,712	2,315,170
91 - 120 days	3,260,448	2,596,065	3,260,448	2,596,065
121 - 365 days	2,575,823	1,450,490	2,575,823	1,450,490
> 365 days	91,537,065	69,951,077	91,537,065	69,951,077
	134,123,488	**104,005,343**	**134,123,488**	**104,005,343**
Less: Provision for debt impairment				
31 - 60 days	-	(24,642,288)	-	(24,642,288)
61 - 90 days	-	(24,900,903)	-	(24,900,903)
91 - 120 days	-	(21,672,439)	-	(21,672,439)
121 - 365 days	(27,392,230)	(32,654,403)	(27,392,230)	(32,654,403)
> 365 days	(758,325,036)	(480,172,728)	(758,325,036)	(480,172,728)
	(785,717,266)	**(584,042,761)**	**(785,717,266)**	**(584,042,761)**
Reconciliation of allowance for impairment				
Balance at beginning of the year	(584,042,761)	(525,990,242)	(584,042,761)	(525,990,242)
Contributions to allowance	(201,675,062)	(58,209,770)	(201,675,062)	(58,209,770)
Debt impairment written off against allowance	557	157,251	557	157,251
	(785,717,266)	**(584,042,761)**	**(785,717,266)**	**(584,042,761)**

Consumer debtors pledged as security

Consumer debtors were not pledged as security for overdraft facilities.

Credit quality of consumer debtors

The credit quality of consumer debtors that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counter party default rates. Although credit quality can be assessed the entity did not apply any methods to evaluate the credit quality.

Trade and other receivables from exchange trasactions impaired

The amount of the provision was R 785 717 266 as of 30 June 2013 (2012: R 584 042 761).

6. Cash and cash equivalents

Cash and cash equivalents consist of:

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

6. Cash and cash equivalents (continued)

Cash on hand	1,150,694	1,222,181	45,485	44,985
Bank balances	43,772,294	65,722,023	43,772,294	65,722,023
Short-term deposits - on call	674,250,513	555,848,306	674,250,513	555,848,306
	719,173,501	**622,792,510**	**718,068,292**	**621,615,314**
Average rate of return	5.09	5.09	5.09	5.09

Cash and cash equivalents are classified as financial instruments under the loans and receivable category.

Due to the short term nature of these investments no amortisation was performed.

Fair value is taken at face value.

No cash and cash equivalents were pledged as security for any financial liabilities.

No restrictions exist with regard to the use of cash.

No portion is past due or impaired.

These amounts best represent the maximum exposure to credit risk at the end of the reporting period, without taking account of any collateral held or other credit enhancements.

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings. Although credit quality can be assessed the Municipality did not apply any methods to evaluate the credit quality.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

6. Cash and cash equivalents (continued)

The municipality has the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2013	30 June 2012	30 June 2011	30 June 2013	30 June 2012	30 June 2011
FNB - No: 5094187782 (Primary)	48,759,355	51,515,428	46,852,653	22,913,333	35,649,737	33,054,016
FNB - No: 50940058750 (Electronic transfers)	-	-	-	(41,721,246)	(25,635,251)	(22,606,439)
FNB - No: 5094187774 (Unpaid cheques)	(55,547)	(340,750)	(199,649)	(55,547)	(340,750)	(199,649)
FNB - No: 62058007264 (Slum clearance)	25,511,209	24,913,414	24,298,267	26,033,765	25,838,038	24,298,267
FNB - No: 62065528930 (Library extension)	1,077,916	1,290,083	3,056,897	1,078,538	1,279,481	3,056,897
FNB - No: 62045272143 (Traffic fines)	22,550	-	-	-	-	-
FNB - No: 50941840627 (Market)	4,506,956	4,513,255	2,234,989	18,326	1,970,705	1,942,258
FNB - No: 62069378539 (Oribi airport)	1,099,021	344,645	10,485	1,099,021	(7,308,721)	10,485
FNB - No: 50930082248 (Forestry)	59,776	502,047	90,882	59,776	502,047	-
FNB - No: 50941847029 (Salaries main)	-	172,683	223,323	-	172,683	172,683
FNB - No: 62003432846 (Salaries PACs no.1)	16,842	1,738	1,082,635	16,842	1,738	-
FNB - No: 62003433414 (Salaries PACs no.2)	-	-	36,348	-	-	-
FNB - No: 62035467978(Safe City)	122,321	144,319	204,757	122,321	144,319	204,757
FNB - No: 62006041157 (Post Office)	-	-	-	(10,693)	-	-
FNB - No: 62279194650 (Forestry)	279,265	250,788	-	279,265	250,788	-
Total	**81,399,664**	**83,307,650**	**77,891,587**	**9,833,701**	**32,524,814**	**39,933,275**

Notes to the Consolidated Annual Financial Statements

Figures in Rand

7. Property, plant and equipment

Group	2013			2012		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land and buildings	681,219,083	(153,016,065)	528,203,018	575,113,763	(92,609,416)	482,504,347
Furniture and fixtures	126,623	(100,847)	25,776	126,623	(63,623)	63,000
Motor vehicles	60,000	(38,000)	22,000	60,000	(26,000)	34,000
Office equipment	7,000	(7,000)	-	7,000	(7,000)	-
IT equipment	50,708	(46,177)	4,531	50,708	(42,488)	8,220
Infrastructure	5,911,186,371	(816,755,386)	5,094,430,985	5,687,045,711	(678,161,286)	5,008,884,425
Community	570,050,506	(181,461,859)	388,588,647	662,581,386	(193,611,706)	468,969,680
Other	452,725,353	(157,776,283)	294,949,070	420,646,919	(135,638,874)	285,008,045
Moveables	306,006,052	(203,271,341)	102,734,711	319,070,037	(203,441,398)	115,628,639
Biological assets	648,261	-	648,261	648,261	-	648,261
Total	**7,922,079,957**	**(1,512,472,958)**	**6,409,606,999**	**7,665,350,408**	**(1,303,601,791)**	**6,361,748,617**

7. Property, plant and equipment (continued)

Company	2013			2012		
	Cost / Valuation	**Accumulated depreciation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated depreciation and accumulated impairment**	**Carrying value**
Land and buildings	681,219,083	(153,016,065)	528,203,018	575,113,763	(92,609,416)	482,504,347
Infrastructure	5,911,186,371	(816,755,386)	5,094,430,985	5,687,045,711	(678,161,286)	5,008,884,425
Community	570,050,506	(181,461,859)	388,588,647	662,581,386	(193,611,706)	468,969,680
Other	452,725,353	(157,776,283)	294,949,070	420,646,919	(135,638,874)	285,008,045
Movables	306,006,052	(203,271,341)	102,734,711	319,070,037	(203,441,398)	115,628,639
Biological assets	648,261	-	648,261	648,261	-	648,261
Total	**7,921,835,626**	**(1,512,280,934)**	**6,409,554,692**	**7,665,106,077**	**(1,303,462,680)**	**6,361,643,397**

Reconciliation of property, plant and equipment - Economic entity - 2013

	Opening balance	**Additions**	**Adjustment - cost**	**Disposals**	**Capital under construction**	**Impairments**	**Depreciation**	**Depreciation on disposal prior year**	**Depreciation - adjustments**	**Total**
Land and buildings	482,504,347	347,588	97,426,008	(3,488,000)	11,819,725	-	(25,591,142)	-	(34,815,507)	528,203,019
Furniture and fixtures	63,000	-	-	-	-	-	(37,224)	-	-	25,776
Motor vehicles	34,000	-	-	-	-	-	(12,000)	-	-	22,000
IT equipment	8,220	-	-	-	-	-	(3,689)	-	-	4,531
Infrastructure	5,008,884,425	60,314,738	92,802	(120,729)	170,647,431	(6,793,698)	(139,475,415)	643,110	238,321	5,094,430,985
Community	468,969,680	1,760,541	(113,117,013)	-	18,825,594	-	(30,536,321)	-	42,686,165	388,588,646
Other	285,008,045	8,022,835	27,255,219	(5,997,874)	2,798,255	-	(26,502,937)	2,169,384	2,196,143	294,949,070
Moveables	115,628,639	11,042,914	(2,125,738)	(21,588,143)	6,876	(399,778)	(33,638,545)	16,670,352	17,138,134	102,734,711
Biological assets	648,261	-	-	-	-	-	-	-	-	648,261
	6,361,748,617	**81,488,616**	**9,531,278**	**(31,194,746)**	**204,097,881**	**(7,193,476)**	**(255,797,273)**	**19,482,846**	**27,443,256**	**6,409,606,999**

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Economic entity - 2012

	Opening balance	Additions	Adjustment - cost	Disposals	Capital under construction	Depreciation	Depreciation on disposal prior year	Adjustments-Depreciation	Total
Land and buildings	485,940,163	-	4,099,000	(543,990)	11,701,509	(18,692,336)	1	-	482,504,347
Furniture and fixtures	13,915	62,008	-	-	-	(12,923)	-	-	63,000
Motor vehicles	46,000	-	-	-	-	(12,000)	-	-	34,000
IT equipment	11,909	-	-	-	-	(3,689)	-	-	8,220
Infrastructure	4,980,779,006	65,873,807	(77,306)	-	101,076,240	(138,767,322)	-	-	5,008,884,425
Community	498,058,550	627,158	4,274,582	-	5,541,570	(39,104,780)	-	(427,400)	468,969,680
Other	302,893,890	2,033,565	1,999,902	-	5,639,762	(27,359,111)	-	(199,963)	285,008,045
Movables	129,369,398	31,139,364	74,000	(199,576)	-	(45,481,699)	115,676	611,476	115,628,639
Biological assets	605,380	42,881	-	-	-	-	-	-	648,261
	6,397,718,211	**99,778,783**	**10,370,178**	**(743,566)**	**123,959,081**	**(269,433,860)**	**115,677**	**(15,887)**	**6,361,748,617**

Reconciliation of property, plant and equipment - Controlling entity - 2013

	Opening balance	Additions	Adjustments-cost	Disposals	Capital under construction	Depreciation disposals previous year	Depreciation	Impairments	Depreciation adjustments	Total
Land and buildings	482,504,347	347,588	97,426,008	(3,488,000)	11,819,725	-	(25,591,142)	-	(34,815,507)	528,203,019
Infrastructure	5,008,884,425	60,314,738	92,802	(120,729)	170,647,431	643,110	(139,475,415)	(6,793,698)	238,321	5,094,430,985
Community	468,969,680	1,760,541	(113,117,013)	-	18,825,594	-	(30,536,321)	-	42,686,165	388,588,646
Other	285,008,045	8,022,835	27,255,219	(5,997,874)	2,798,255	2,169,384	(26,502,937)	-	2,196,143	294,949,070
Movables	115,628,639	11,042,914	(2,125,738)	(21,588,143)	6,876	16,670,352	(33,638,545)	(399,778)	17,138,134	102,734,711
Biological assets	648,261	-	-	-	-	-	-	-	-	648,261
	6,361,643,397	**81,488,616**	**9,531,278**	**(31,194,746)**	**204,097,881**	**19,482,846**	**(255,744,360)**	**(7,193,476)**	**27,443,256**	**6,409,554,692**

Reconciliation of property, plant and equipment - Controlling entity - 2012

7. Property, plant and equipment (continued)

	Opening balance	Additions	Adjustment - cost	Disposals	Capital under construction	Depreciation	Depreciation on disposal prior year	Depreciation - adjustments	Total
Land and buildings	485,940,163	-	4,099,000	(543,990)	11,701,509	(18,692,336)	1	-	482,504,347
Infrastructure	4,980,779,006	65,873,807	(77,306)	-	101,076,240	(138,767,322)	-	-	5,008,884,425
Community	498,058,550	627,158	4,274,582	-	5,541,570	(39,104,780)	-	(427,400)	468,969,680
Other	302,893,890	2,033,565	1,999,902	-	5,639,762	(27,359,111)	-	(199,963)	285,008,045
Moveables	129,369,398	31,139,364	74,000	(199,576)	-	(45,481,699)	115,676	611,476	115,628,639
Biological assets	605,380	42,881	-	-	-	-	-	-	648,261
	6,397,646,387	**99,716,775**	**10,370,178**	**(743,566)**	**123,959,081**	**(269,405,248)**	**115,677**	**(15,887)**	**6,361,643,397**

Pledged as security

No property , plant and equipment was placed as security for financial liabilities.

Refer to Appendix B for the detailed property,plant and equipment schedule.

All assets that were fully depreciated in the asset register had their useful lives reviewed in the 2012/2013 financial year This was processed retrospectively and in terms of GRAP 3 treated as a change in accounting estimate.

During the financial year the useful life of property plant and equipment with zero values and assets that have been impaired have been reviewed , this is disclosed in the reconciliation above as depreciation adjustments and impairment.

Adjustments on cost in the reconcilation above are attributable to -

* reclassification of assets as per the different categories of property, plant and equipment.
* change in market value of investment property .
* reclassification of investment to property to property , plant and equipment
* reclassification change of property to property , plant and equipment.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

8. Intangible assets

Group	2013			2012		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
Computer software, other	21,333,136	(20,237,988)	1,095,148	21,276,343	(18,621,623)	2,654,720
Servitudes	803,846	-	803,846	803,846	-	803,846
Total	**22,136,982**	**(20,237,988)**	**1,898,994**	**22,080,189**	**(18,621,623)**	**3,458,566**

Company	2013			2012		
	Cost / Valuation	**Accumulated amortisation and accumulated impairment**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation and accumulated impairment**	**Carrying value**
Computer software, other	21,333,136	(20,237,988)	1,095,148	21,276,343	(18,621,623)	2,654,720
Servitudes	803,846	-	803,846	803,846	-	803,846
Total	**22,136,982**	**(20,237,988)**	**1,898,994**	**22,080,189**	**(18,621,623)**	**3,458,566**

Reconciliation of intangible assets - Economic entity - 2013

	Opening balance	**Additions**	**Amortisation**	**Adjustments - amortisation**	**Total**
Computer software, other	2,654,716	56,793	(1,663,602)	47,241	1,095,148
Servitudes	803,846	-	-	-	803,846
	3,458,562	**56,793**	**(1,663,602)**	**47,241**	**1,898,994**

Reconciliation of intangible assets - Economic entity - 2012

	Opening balance	**Additions**	**Amortisation**	**Adjustments - amortisation**	**Total**
Computer software, other	6,478,676	15,500	(3,659,157)	(180,303)	2,654,716
Servitudes	803,846	-	-	-	803,846
	7,282,522	**15,500**	**(3,659,157)**	**(180,303)**	**3,458,562**

Reconciliation of intangible assets - Controlling entity - 2013

	Opening balance	**Additions**	**Amortisation**	**Adjustments - amortisation**	**Total**
Computer software, other	2,654,716	56,793	(1,663,602)	47,241	1,095,148
Servitudes	803,846	-	-	-	803,846
	3,458,562	**56,793**	**(1,663,602)**	**47,241**	**1,898,994**

Reconciliation of intangible assets - Controlling entity - 2012

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

8. Intangible assets (continued)

	Opening balance	Additions	Amortisation	Adjustments - amortisation	Total
Computer software, other	6,478,676	15,500	(3,659,157)	(180,303)	2,654,716
Servitudes	803,846	-	-	-	803,846
	7,282,522	**15,500**	**(3,659,157)**	**(180,303)**	**3,458,562**

9. Investment property

Group	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	320,520,236	-	320,520,236	381,012,346	-	381,012,346

Company	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	320,520,236	-	320,520,236	381,012,346	-	381,012,346

Reconciliation of investment property - Economic entity - 2013

	Opening balance	Additions	Disposals	Adjustment - cost	Impairments	Total
Investment property	381,012,346	920,000	(8,274,977)	(51,185,443)	(1,951,690)	320,520,236

Reconciliation of investment property - Economic entity - 2012

	Opening balance	Additions	Adjustment - cost	Impairments	Total
Investment property	405,306,365	135,120,000	(158,828,228)	(585,791)	381,012,346

Reconciliation of investment property - Controlling entity - 2013

	Opening balance	Additions	Adjustment - cost	Disposals	Impairments	Total
Investment property	381,012,346	920,000	(51,185,443)	(8,274,977)	(1,951,690)	320,520,236

Reconciliation of investment property - Controlling entity - 2012

	Opening balance	Additions	Adjustment - cost	Impairments	Total
Investment property	405,306,365	135,120,000	(158,828,228)	(585,791)	381,012,346

Adjustments on cost in the reconcilation above are attributable to -
* change in market value of investment property .
* reclassification of investment to property to property , plant and equipment.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

9. Investment property (continued)

Pledged as security

Carrying value of assets pledged as security:

No investment property has been pledged as security for any financial liabilities.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

Investment property has been accounted for in terms of GRAP 16 and comprises of both land and buildings owned by the Msunduzi Municipality. Investment property will not be depreciated but will be annually valued on balance sheet date to determine their fair value as prescribed in GRAP 16.

Mills Fitchet has been awarded the tender for the valuation and identification of all investment property of the Msunduzi Municipality.The deliverables of the project included:

• A comprehensive deed search
• Providing separate land and building values
• Identifying Investment property
• Providing a data fact sheet for each property identified with information on the street address, SG 21 digit key (Erf, stand, portion), property description, GIS information and a photograph of the property.

The method applied in updating the investment property data in the asset register was:
• Vacant land was reviewed to determine future use and if no future use could be determined then it was classified as investment property.
• Properties with valid rental and lease agreements were deemed to be investment properties.
• All buildings have been identified and classified as investment property

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the municipality have to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the municipality subsequently uses the fair value measurement, disclose the following:
• a description of the investment property,
•an explanation of why fair value cannot be determined reliably,
• if possible, the range of estimates within which fair value is highly likely to lie, and
• on disposal of investment property not carried at fair value:
 - the fact that the entity has disposed of investment property not carried at fair value,
 - the carrying amount of that investment property at the time of sale, and
 - the amount of gain or loss recognised.

Restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal are as follows:

Contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements is as follows:

In the exceptional cases when the economic entity have to measure investment property using the cost model in the Standard of GRAP on Property, Plant and Equipment when the economic entity subsequently uses the fair value measurement, disclose the following:
- a description of the investment property,
- an explanation of why fair value cannot be determined reliably,
- if possible, the range of estimates within which fair value is highly likely to lie, and

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

9. Investment property (continued)

- on disposal of investment property not carried at fair value:
 - the fact that the entity has disposed of investment property not carried at fair value,
 - the carrying amount of that investment property at the time of sale, and
 - the amount of gain or loss recognised.

10. Heritage assets

Economic entity	2013			2012		
	Cost / Valuation	**Accumulated impairment losses**	**Carrying value**	**Cost / Valuation**	**Accumulated impairment losses**	**Carrying value**
Art Collections, antiquities and exhibits	176,969,036	-	176,969,036	-	-	-

Controlling entity	2013			2012		
	Cost / Valuation	**Accumulated impairment losses**	**Carrying value**	**Cost / Valuation**	**Accumulated impairment losses**	**Carrying value**
Art Collections, antiquities and exhibits	176,969,036	-	176,969,036	-	-	-

Reconciliation of heritage assets Economic entity - 2013

	Opening balance	**Additions**	**Reclassification**	**Total**
Art Collections, antiquities and exhibits	-	140,191,240	36,777,794	176,969,034

Reconciliation of heritage assets Controlling entity - 2013

	Opening balance	**Additions**	**Reclassification**	**Total**
Art Collections, antiquities and exhibits	-	140,191,240	36,777,794	176,969,034

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

10. Heritage assets (continued)

Transitional provisions

The Msunduzi Municipality has taken advantage of the transitional provision as issued by the Accounting Standards Board as per directive 7.As at 30 June 13 hertiage assets have been initially measured at provisional amounts. Full compliance with GRAP 103 will be in June 2015. Only then will the municipality comply with GRAP 3 in terms of the retrospective application of the restating the cost of hertiage assets as far as June 2011.

List of heritage assets where the values can not be determined :

1.Legal Deposit collection at the Bessie Head Library

In 1916, the Natal Society Library (now the Msunduzi Municipal Library – Bessie Head Library) was identified as one of 5 libraries in South Africa accorded Legal Deposit status. This privilege helped make it into one of South Africa's major research and information libraries. Legal Deposit Libraries play a unique and very important role as custodians, in perpetuity, of this country's cultural wealth and information. They also have to make this information available, as widely as possible, to the citizens of South Africa. The Legal Deposit Collection has become an important asset.

Since 1916, the Msunduzi Municipal Library has amassed a huge collection of South African books, pamphlets, periodicals, maps and newspapers which it has to preserve for future generations.

2. Mahatma Gandhi Statue

The Statue was donated to the municipality in 1993 by the PMB Gandhi Memorial society in commemoration of the anniversary of Gandhi's eviction from a train at the Pietermaritzburg train station.

3. Highfield Road – (Site no. 166)

The land has been identified as a conservation site due to the endangered species of the Hilton Daisy, Gerbera aurantiaca. The Hilton daisy is a strikingly beautiful grassland plant that occurs around Pietermaritzburg in KwaZulu-Natal. The species is under
considerable threat of extinction due to habitat fragmentation and degradation resulting from agriculture and urban sprawl.

4. City Hall Surrounding Garden and Memorial Plaque

This area has been identified as a heritage asset.

5. Tatham Art Gallery Gardens

This area has been identified as a heritage asset.

6. Alexandra Park

This area has been identified as a heritage asset.

7. Mayoral Chain

Stored in a secure safe at city hall

11. Other financial assets

Designated at fair value				
Fixed deposits - long term medium term investment	46,081	66,033	46,081	66,033
Terms and conditions				

Loans and receivables

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012
Housing These long term debtors refer to housing rental schemes that were purchased by the existing owners.These loans are repayable over a period of 20 to 30 years.	8,476,816	7,877,076	8,476,816	7,877,076
Educational facilities Funding provided to public institutions.These loans do not attract interest and is repayable over a period of 15 to 40 years.	294,591	304,199	294,591	304,199
	8,771,407	**8,181,275**	**8,771,407**	**8,181,275**
Total other financial assets	**8,817,488**	**8,247,308**	**8,817,488**	**8,247,308**
Non-current assets				
At amortised cost	8,771,407	8,181,275	8,771,407	8,181,275
Current assets				
Designated at fair value	46,081	66,033	46,081	66,033

12. Other financial liabilities

At amortised cost				
External loans DBSA - funding required for capital expenditire.Loans bear an interest rate between 6.75% and 16.50%. Loans are repayable over a period between 12 to 30 years RMB - funding required for capital expenditire.Loans bear an interest rate between 11.38% and 14.18%. Loans are repayable over a period between 10 to 12 years. INCA - funding required for capital expenditire.Loans bear an interest rate between 11.38%. Loans are repayable over a period of 10 years.	585,993,207	619,538,347	585,993,207	619,538,347
Non-current liabilities				
At amortised cost	540,418,309	575,954,199	540,418,309	575,954,199
Current liabilities				
At amortised cost	45,574,898	43,584,148	45,574,898	43,584,148

Refer to Appendix A for further details on long term liabilities

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

13. Finance lease obligation

Minimum lease payments due				
- within one year	1,248,051	2,368,632	1,248,051	2,368,632
- in second to fifth year inclusive	958,444	737,924	958,444	737,924
	2,206,495	3,106,556	2,206,495	3,106,556
less: future finance charges	(187,621)	(194,907)	(187,621)	(194,907)
Present value of minimum lease payments	**2,018,874**	**2,911,649**	**2,018,874**	**2,911,649**
Present value of minimum lease payments due				
- within one year	1,199,752	2,464,518	1,199,752	2,464,518
- in second to fifth year inclusive	819,122	717,131	819,122	717,131
	2,018,874	**3,181,649**	**2,018,874**	**3,181,649**
Non-current liabilities	907,103	2,008,302	907,103	2,008,302
Current liabilities	1,088,857	2,248,130	1,088,857	2,248,130
	1,995,960	**4,256,432**	**1,995,960**	**4,256,432**

The average lease term was 5 years and the average effective borrowing rate was 12 % for 2013 (2012: 12%).
The entity did not default on any of the interest or capital repayments of the finance leases.
No terms and conditions of the finance leases were re-negotiated

Refer to Appendix A for further details on finance leases.

14. Trade and other payables from exchange transactions

Trade payables	59,898,280	50,684,072	59,898,280	50,684,072
Other payables	70,658,716	52,641,180	70,630,582	52,515,578
Other deposits	2,184,129	1,532,138	2,184,129	1,532,138
Accrued leave pay	53,654,465	50,673,309	53,654,465	50,673,309
Retentions	14,254,058	10,767,063	14,254,058	10,767,063
Other payables accrued	217,248,248	234,446,342	217,248,248	234,446,342
Debtors with credit balances	63,135,324	51,437,788	63,135,324	51,437,788
	481,033,220	**452,181,892**	**481,005,086**	**452,056,290**

15. VAT payable

VAT payable	74,025,075	52,659,731	74,025,075	52,659,731

VAT is payable on the receipt basis. VAT is only declared to SARS on receipt of payment from consumers. During the financial year all VAT returns were submitted to SARS on due date.

16. VAT receivable

VAT	32,341	8,482	-	-

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

17. Consumer deposits

Electricity	61,725,772	55,758,378	61,725,772	55,758,378
Water	11,645,499	10,358,520	11,645,499	10,358,520
Refuse	2,152,949	1,915,021	2,152,949	1,915,021
Sewer	4,065,009	3,615,773	4,065,009	3,615,773
	79,589,229	**71,647,692**	**79,589,229**	**71,647,692**

Included in deposits is an accrual of interest at an effective interest of 4% per annum.

Balance on the interest reserve: R 16 230 934 as at 30 June 2013 and R 13 219 816 as at the 30 June 2012

Guarantees in lieu of electricity and water deposit	9,382,200	10,677,916	9,382,200	10,677,916

18. Unspent conditional grants and receipts

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts				
Provision of sports facilities	762,803	535,291	762,803	535,291
Tatham art gallery	308,523	-	308,523	-
Ashburton feasibilty study	-	500,000	-	500,000
Finance management grant (FMG)	-	496,692	-	496,692
Freedom square tourism hub	-	6,917,268	-	6,917,268
Greater edendale development initiative	4,527,589	8,515,643	4,527,589	8,515,643
Housing	36,956,805	36,359,010	36,956,805	36,359,010
Sundry	516,891	1,414,736	516,891	1,414,736
Library	4,604,691	665,703	4,604,691	665,703
Municipal infrastructure grant (MIG)	584,079	5,566,961	584,079	5,566,961
Municipal systems improvement grant (MSIG)	263	485,099	263	485,099
Neighbourhood development partnership grant	6,148,950	6,650,000	6,148,950	6,650,000
Public transportation infrastructure - COGTA and NT	29,785,779	73,601,569	29,785,779	73,601,569
Market	1,337,698	-	1,337,698	-
Trusts	-	6,052,205	-	6,052,205
Electricity - COGTA	49,137	-	49,137	-
Spoornet	363,995	347,918	363,995	347,918
Q Dot Pharma - ward 3,5 and 6	40,123	40,123	40,123	40,123
Msunduzi library	1,088,537	1,279,480	1,088,537	1,279,480
New England road upgrade	-	19,952	-	19,952
Massification	1,159,564	-	1,159,564	-
Water conservation water demand management	1,344,880	-	1,344,880	-
	89,580,307	**149,447,650**	**89,580,307**	**149,447,650**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

18. Unspent conditional grants and receipts (continued)

Movement during the year

Balance at the beginning of the year	149,447,649	121,309,552	149,447,649	121,309,552
Transfers	(307,356,339)	334,768,616	(307,356,339)	334,768,616
Adjustments	(46,735)	-	(46,735)	-
Inter project / vote transfer	(300,000)	-	(300,000)	-
Current year receipts	259,617,183	(306,630,518)	259,617,183	(306,630,518)
Funds paid to National Treasury / transfers / refunds	(11,781,451)	-	(11,781,451)	-
	89,580,307	**149,447,650**	**89,580,307**	**149,447,650**

The extent of government grants recognised in the Statement of financial performance relates to the portion of the grant where the conditions have been fulfilled.

Unfulfilled conditions and other contingencies attaching to government assistance that has been recognised as a liability in the Statement of financial position.

Refer to Appendix E for details of unspent conditional grants, receipts and transfers from National and Provincial Government and Other departments .

These amounts are invested in a ring-fenced investment until utilised.

National grants	71,705,910	49,805,842	71,705,910	49,805,842
Provincial grants	13,854,884	78,670,941	13,854,884	78,670,941
Other conditional grants	4,019,513	20,970,867	4,019,513	20,970,867
	89,580,307	**149,447,650**	**89,580,307**	**149,447,650**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

19. Provisions

Reconciliation of provisions - Economic entity - 2013

	Opening Balance	Contributions	Reversed during the year	Total
Performance bonus	311,926	682,489	(311,926)	682,489
Long service awards	-	3,714,230	-	3,714,230
Landfill rehabilitation	22,398,604	33,057,761	-	55,456,365
	22,710,530	**37,454,480**	**(311,926)**	**59,853,084**

Reconciliation of provisions - Economic entity - 2012

	Opening Balance	Contributions	Reversed during the year	Total
Performance bonus	281,850	311,926	(281,850)	311,926
Landfill rehabilitation	20,362,367	2,036,237	-	22,398,604
	20,644,217	**2,348,163**	**(281,850)**	**22,710,530**

Reconciliation of provisions - Controlling entity - 2013

	Opening Balance	Contributions	Reversed during the year	Total
Performance bonus	311,926	682,489	(311,926)	682,489
Long service awards	-	3,714,230	-	3,714,230
Landfill rehabilitation provision	22,398,604	33,057,761	-	55,456,365
	22,710,530	**37,454,480**	**(311,926)**	**59,853,084**

Reconciliation of provisions - Controlling entity - 2012

	Opening Balance	Contributions	Reversed during the year	Total
Performance bonus	281,850	311,926	(281,850)	311,926
Landfill rehabilitation	20,362,367	2,036,237	-	22,398,604
	20,644,217	**2,348,163**	**(281,850)**	**22,710,530**

Non-current liabilities	55,456,365	22,398,604	55,456,365	22,398,604
Current liabilities	4,396,719	311,926	4,396,719	311,926
	59,853,084	**22,710,530**	**59,853,084**	**22,710,530**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

19. Provisions (continued)

The landfill site provision represents management's best estimate of the municipality's rehabilition liability based on an valuation provided by an external consultant on the remaining useful life of the landfill site.

Envitech Solutions was appointed to provide the provision for the programme for closure of the New England Road landfill site.

Alien vegetation provision.

According to the National Environmental Management Act, 1998 (Act No. 107 of 1998) the municipality was encouraged to recognise a provision in this regard.

The Department of Agriculture has since 2006 provided considerable support to the Msunduzi Municipality in terms of clearing listed alien invasive plants.

The Msunduzi Municipality's involvement and responsibility is effectively operational support to the Department of Agriculture terms of clearing listed alien invasive plants.

20. Retirement benefit obligations

Defined contribution and benefit plan

The Council provides retirement benefits to its employees by contributing to a either a pension or provident fund.

Membership to either a pension or provident fund is compulsory for all permanent employees.

The majority of the members and the Council contributes to the Natal Joint Municipal Pension (NJMP) and Provident funds, employees contributing to South African Local Authorities Pension Fund (SALA), Associated Institution Pension Fund (AIPF), Pietermaritzburg Provident Fund and Government Employees Pension Fund (GEPF). Employees contributing to SALA, AIPF, Pietermaritzburg Provident Fund and GEPF make up the minority of members contribution to the pension funds.

The Msunduzi Municipality's liability in these funds can not be determined owing mainly to the assets not being allocated to each employer and one set of financial's being compiled for each fund and not for each contributing employer.

The majority of personnel are members of the following pension funds:

1. Kwa-Zulu-Natal Joint Municipal Provident Fund.

An interim actuarial valuation was performed on 31 March 2012 by Arthur Els and Associates Consulting Actuaries .

Results of the valuation.

The Fund self-insures its risk benefits in excess of the full benefit. It therefore maintains a Risk Reserve Account as a measure of protection against volatility in claims experience. The amount of R 16 287 188 required to be held in the Risk Reserve Account.

The Fund is financially sound as at the valuation date.

Benefits of the fund:

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

20. Retirement benefit obligations (continued)

* Pension age - 65 years
* Earliest retirement age - 58 years (55 years if more than 10 years continuous service)
* Full benefit - Initial transfer plus member's contributions plus employer's contributions for full benefits plus investment earnings and bonuses.
* Member's portion of full benefits - Initial transfer plus members contributions plus local authorities contributions for full benefits plus interim, special and final bonuses
* Benefit on retirement after earliest retirement age or pension age - Full benefit.
* Benefit on retirement because of ill health - Full benefit
* Benefit on death in service - Full benefit plus 0.7% of annual pensionable salary for each month of potential service to a maximum of 2.1 years salary.

Contributions of the fund :

* **Members contributions**

Members may choose to contribute at a rate of 5%, 7% or 9.25% of their pensionable emoluments in terms of regulation 14(a)

*** Local Authorities Contributions**
Participating employers contribute at a rate of 1.95 times of the rate of members contribution in terms of regulation 17(1)(b)

Benchmark:

The benchmark asset allocation determined as being appropriate for the fund, which takes cognisance of membership and liability profile, is stated below :

Domestic Investments:	945, 890,000
International Investments	221,730,000
Risk Reserve Acount	16,287,000
Membership	9,942

Natal Joint Municipal Pension Fund: (Superannuation) interim actuarial valuation

An interim actuarial valuation was performed on 31 March 2012 by Arthur Els and Associates Consulting Actuaries .

The market value of the Fund's assets was R 6,240,600,000 as at 31 March 2012.

The Discounted Cash Flow (DCF) method of valuation has been applied for the purposes of determining the Fund's financial condition.

The funding level in respect of contributory members has increased to 96.0%% from 90.9%.

On the DCF funding level has decreased and the overall shortfall has increased.The valuation disclosed a surplus of R405.0 million in respect of pensioners and a shortfall of R270.0 million in respect of members.

The regulations of the fund have been amended with effect from 1 July 2004, so that the Committee of Management is able to levy a separate surcharge on local authorities which grant excessive salary increases, thereby causing a financial strain on the Fund to the detriment of other stakeholders.

The employers are no longer permitting members to join the Fund, so that it is effectively closed to new members. This means that the average age will increase over time which, in turn, means that the required rate of contribution will also increase.

Thus, once the surcharge ceases, the underlying rate of contribution will not be sufficient to meet the cost of the benefits. It is necessary to set aside a reserve to hold assets equal to the expected shortfall. For this reason a "Contribution Reserve is held equal to the present value of the shortfall in terms of the Financial Services Board's Circular PF117 for the 5 years to 2015 when it is expected that the surcharge will cease.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

20. Retirement benefit obligations (continued)

Benefits of the fund:

* Members Contributions -9.25% of pensionable salaries.

* Pension age 65 years

* Final average salary - average annual pensionable salaries during the last year of service.

* Pension on retirement at pension age - 2.2% of final average emoluments per year of continuous service.

* Lump sum on retirement at pension age - 8.25% of final average emoluments per year of service.

* Pension on retirement because of ill-health (minimum ten years continuous service) - pension as for retirement at pension age.

* Lump sum on retirement because of ill-health (minimum 10 years continuous service) - lump sum as for retirement at pension age.

* Lump sum on retirement because of ill health (less than ten years continuous service) - the greater of the resignation benefit or twice the members contributions.

* Surviving Spouses pension on death in service - 1,2% of final average emoluments per year of continuous service that the member would have had at the pension age.

* Surviving Spouses pension on death of pensioner - 1,22% (0,77% in the case of a pensioner who retired before 1 July 1999) of final average emoluments per year of continuous service.

* Lump sum on death in service - Annual pensionable emoluments.10.75% of final average salaries

* Withdrawal - members contribution plus 5/12% for each month of continuous service (the addition is approximately equal to compound interest at 10% a year) and increased by 5% for each complete year of service up to a maximum of 20 years.

Benchmark :

Investments

Domestic	4,752,538,000
International	(1,503,665,000)
Membership	7,470

The employees of the Council as well as the Council as employer, contribute to municipal pension,retirement and various provident funds as listed below:				
Natal Joint Pension Fund	99,175,006	87,962,308	99,175,006	87,962,308
Natal Joint Provident Fund	29,930,067	27,963,989	29,930,067	27,963,989
Government Employees Pension Fund	4,369,928	3,911,170	4,369,928	3,911,170
Associated Institution Pension Fund	135,209	134,678	135,209	134,678
South Africa Local Authorities Pension Fund	703,947	658,612	703,947	658,612
Councillors Pension Fund	5,597,626	4,431,060	5,597,626	4,431,060
Dynamique Ambrella (Pietermaritzburg Provident Fund)	508,385	538,235	508,385	538,235
	140,420,168	**125,600,052**	**140,420,168**	**125,600,052**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

20. Retirement benefit obligations (continued)

Post retirement medical aid contributions

The municipality operates on 6 accredited medical aid schemes, namely Bonitas, Discovery Health, Hosmed, Key-Health, LA Health and SAMWU Medical Aid Scheme,Pensioners continue on the option they belonged to on the day of their retirement.

The last post-employment health care benefits actuarial valuation in terms of GRAP 25 was done by Arch Acturial Consulting for the period ending 30 June 2013. The valuation undertaken in accordance with the requirements of Professional Guidance Note (PPN) 301 of the Actuarial Society of South Africa.

According to the last valuation the accrued liability amounted to R 480.2 million as at 30 June 2013.

A reconciliation of Msunduzi's accrued liability for the year ending 30 June 2013 is set out below:

The amounts recognised in the statement of financial position are as follows:				
Carrying value				
Present value of the defined benefit obligation-wholly unfunded	480,277,982	285,724,124	480,277,982	285,724,124
Changes in the present value of the defined benefit obligation are as follows:				
Opening balance	359,810,000	332,720,000	359,810,000	332,720,000
Net expense recognised in the statement of financial performance	120,467,982	27,090,000	120,467,982	27,090,000
	480,277,982	**359,810,000**	**480,277,982**	**359,810,000**
Net expense recognised in the statement of financial performance				
Current service cost	22,861,505	12,180,000	22,861,505	12,180,000
Interest cost	30,041,498	27,100,000	30,041,498	27,100,000
Actuarial (gains) losses	83,062,559	-	83,062,559	-
Expected return on plan assets	(15,497,580)	(12,190,000)	(15,497,580)	(12,190,000)
	120,467,982	**27,090,000**	**120,467,982**	**27,090,000**
Calculation of actuarial gains and losses				
Actuarial (gains) losses – obligation	83,062,559	-	83,062,559	-
Changes in the liability are as follows:				
Opening balance	285,724,124	211,638,127	285,724,124	211,638,127
Contributions by employer	194,553,858	74,085,997	194,553,858	74,085,997
Closing balance	**480,277,982**	**285,724,124**	**480,277,982**	**285,724,124**

Key assumptions used

The projected unit credit method is used as the standard valuation methodology for the valuation done during the 2012 / 2013 financial period.

Discount rates used	8.69 %	6.42 %	8.69 %	6.42 %
Health care inflation rate	7.56 %	5.42 %	7.56 %	5.42 %
Expected salaries increases	7.00 %	6.08 %	7.00 %	6.08 %

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

20. Retirement benefit obligations (continued)

Key demographic assumptions

Post retirement mortalityduring employment valued at SA 85 - 60.

Sensitivity analysis

The impact of a 1% change in the medical aid inflation rate is reflected in the table underneath.

Sensitivity to medical inflation				
Base	480,278,000	290,448,544	480,278,000	290,448,544
-1%	418,281,000	248,825,292	418,281,000	248,825,292
+1%	552,477,000	343,541,221	552,477,000	343,541,221
	1,451,036,000	**882,815,057**	**1,451,036,000**	**882,815,057**
The employees of the Council as well as the Council as employer, contribute to municipal medical aids as listed below:				
LA Health	24,265,465	18,986,050	24,265,465	18,986,050
Key Health	29,312,488	32,365,732	29,312,488	32,365,732
Samwumed	2,457,527	2,010,576	2,457,527	2,010,576
Discovery	103,562	132,400	103,562	132,400
Bonitas	13,483,314	14,034,796	13,483,314	14,034,796
Hosmed	766,356	1,065,329	766,356	1,065,329
	70,388,712	**68,594,883**	**70,388,712**	**68,594,883**

21. Housing development fund

Unappropriated surplus	16,835,486	21,269,012	16,835,486	21,269,012
Loans extinguished by government on 1 April 1998	34,256,892	34,256,892	34,256,892	34,256,892
	51,092,378	**55,525,904**	**51,092,378**	**55,525,904**
The housing development fund is represented by the following assets &liabilities				
Property,plant and equipment	(1,620,309)	(1,620,309)	(1,620,309)	(1,620,309)
Housing selling scheme loans	7,508,763	6,908,890	7,508,763	6,908,890
Trade and other receivables	26,466,781	22,492,369	26,466,781	22,492,369
Bank and cash	18,739,238	27,746,169	18,739,238	27,746,169
Less: trade payables	(2,095)	(1,215)	(2,095)	(1,215)
	51,092,378	**55,525,904**	**51,092,378**	**55,525,904**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

22. Revenue

Service charges	1,968,855,064	1,678,603,419	1,968,855,064	1,678,603,419
Rental received	20,896,190	17,943,780	20,896,190	17,943,780
Fees from agency services	732,726	373,664	732,726	373,664
Licences and permits	59,002	77,690	59,002	77,690
Other revenue	60,614,647	65,409,467	60,609,687	65,368,235
Investment revenue	116,379,229	84,204,607	116,334,858	84,160,636
Property rates	586,643,203	505,310,156	586,643,203	505,310,156
Property rates - penalties imposed	39,595,547	31,244,472	39,595,547	31,244,472
Government grants & subsidies	647,349,589	500,668,970	647,349,589	500,668,970
Fines	8,371,286	3,813,388	8,371,286	3,813,388
	3,449,496,483	**2,887,649,613**	**3,449,447,152**	**2,887,564,410**

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	1,968,855,064	1,678,603,419	1,968,855,064	1,678,603,419
Rental received	20,896,190	17,943,780	20,896,190	17,943,780
Fees from agency services	732,726	373,664	732,726	373,664
Licences and permits	59,002	77,690	59,002	77,690
Other revenue	60,614,647	65,409,467	60,609,687	65,368,235
Investment revenue	116,379,229	84,204,607	116,334,858	84,160,636
	2,167,536,858	**1,846,612,627**	**2,167,487,527**	**1,846,527,424**

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue				
Property rates	586,643,203	505,310,156	586,643,203	505,310,156
Property rates - penalties imposed	39,595,547	31,244,472	39,595,547	31,244,472
Transfer revenue				
Government grants & subsidies	647,349,589	500,668,970	647,349,589	500,668,970
Fines	8,371,286	3,813,388	8,371,286	3,813,388
	1,281,959,625	**1,041,036,986**	**1,281,959,625**	**1,041,036,986**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

23. Property Rates

Rates received

Residential	270,583,910	221,412,701	270,583,910	221,412,701
Industrial/Commercial	283,554,946	257,702,741	283,554,946	257,702,741
Rural Communal land	(244,486)	209,300	(244,486)	209,300
Agriculture	594,475	880,034	594,475	880,034
Public service infrastructure	308,657	409,286	308,657	409,286
Vacant land	31,192,970	29,458,551	31,192,970	29,458,551
Less: Adjustment processed	652,731	(4,762,457)	652,731	(4,762,457)
	586,643,203	505,310,156	586,643,203	505,310,156
Property rates - penalties imposed	39,595,547	31,244,472	39,595,547	31,244,472
	626,238,750	**536,554,628**	**626,238,750**	**536,554,628**

Valuations

Residential	32,043,830,119	31,686,645,119	32,043,830,119	31,686,645,119
Industrial/Commercial	14,610,475,000	14,285,773,000	14,610,475,000	14,285,773,000
Rural Communal land	26,000,000	26,000,000	26,000,000	26,000,000
Agriculture	222,357,000	207,397,000	222,397,000	207,397,000
Public Service Infrastructure	163,614,000	163,749,001	163,614,000	163,749,001
Vacant land	1,493,978,000	1,503,085,000	1,493,978,000	1,503,085,000
Municipal properties	505,937,000	490,180,000	505,937,000	490,180,000
	49,066,191,119	**48,362,829,120**	**49,066,231,119**	**48,362,829,120**

General valuations on properties are performed every 4 years in terms of the Municipal Property Rates Act. The last general valuation came into effect on 1 July 2009. Supplementary valuations are take place on an annual basis to take into account building additions, changes, sub divisions and consolidations.

A general rate of 2.02 cents in a rand for 2013 - (2012: 1.89 cents in a rand) is applied to property valuations to determine assessment rates.

The adjustments during the year are compiled of all interim assessments, corrections and amendments to the accounts. This includes any transfer of payments, penalty reversals and value changes. A list of adjustments is available on a monthly basis and form part of the scope by the Auditor General .

24. Service charges

Sale of electricity	1,425,626,841	1,212,660,157	1,425,626,841	1,212,660,157
Sale of water	349,139,733	288,345,314	349,139,733	288,345,314
Solid waste	73,999,200	70,091,118	73,999,200	70,091,118
Sewerage and sanitation charges	120,089,290	107,506,830	120,089,290	107,506,830
	1,968,855,064	**1,678,603,419**	**1,968,855,064**	**1,678,603,419**

The above figure is net of revenue foregone.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

25. Government grants and subsidies

Operating grants				
Equitable share	338,903,000	304,835,000	338,903,000	304,835,000
Land use management grant	145,962	-	145,962	-
Ashburton feasibility study	519,196	-	519,196	-
Intergrated development plan	398,070	212,839	398,070	212,839
SETA	300,000	30,000	300,000	30,000
Library	3,255,134	1,617,706	3,255,134	1,617,706
Airport	31,025	223,350	31,025	223,350
Developer contribution	-	840,000	-	840,000
Municipal systems improvement grant	555,000	793,937	555,000	793,937
Market	651,450	-	651,450	-
Expanded public works programme	1,361,871	1,973,370	1,361,871	1,973,370
Finance management grant	1,996,692	1,944,784	1,996,692	1,944,784
Public transportation infrastructure - COGTA and NT	86,700,000	16,207,831	86,700,000	16,207,831
Greater Edendale development initiative	4,403,215	4,562,231	4,403,215	4,562,231
Health and library subsidies	1,090,250	9,667,000	1,090,250	9,667,000
Housing	-	70,126	-	70,126
Tatham art gallery	23,454	693,000	23,454	693,000
Water conservation water demand management	155,120	-	155,120	-
Trusts	69,348	-	69,348	-
Urban renewal	6,500,000	-	6,500,000	-
Municipal infrastructure grant	3,753,773	7,927,728	3,753,773	7,927,728
	450,812,560	351,598,902	450,812,560	351,598,902
Capital grants				
Neighbourhood development partnership grant	501,050	-	501,050	-
Alexandra park athletic track	1,377,671	532,175	1,377,671	532,175
Airport	436,295	8,892,460	436,295	8,892,460
Municipal infrastructure grant	151,474,562	116,076,908	151,474,562	116,076,908
Community communication initiative	40,079	-	40,079	-
Community development workers	7,096	-	7,096	-
Electricity	20,000,000	2,533,991	20,000,000	2,533,991
Expanded public works programme	173,740	140,350	173,740	140,350
Tatham art gallery	-	3,000	-	3,000
Library	249,437	411,556	249,437	411,556
Market	5,668,532	-	5,668,532	-
Massification	840,436	-	840,436	-
Municipal system improvement grant	302,035	-	302,035	-
Public transportation infrastructure - COGTA and NT	4,566,790	5,403,507	4,566,790	5,403,507
Trusts	364,780	-	364,780	-
Housing	-	472,214	-	472,214
Freedom square tourism hub	10,534,526	11,701,509	10,534,526	11,701,509
Linconlmeade	-	2,867,716	-	2,867,716
Finance management grant	-	34,682	-	34,682
	196,537,029	149,070,068	196,537,029	149,070,068
	647,349,589	**500,668,970**	**647,349,589**	**500,668,970**

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Municipal infrastructure grant

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

25. Government grants and subsidies (continued)

Balance unspent at beginning of year	5,566,960	3,116,569	5,566,960	3,116,569
Current-year receipts	153,399,000	126,455,000	153,399,000	126,455,000
Conditions met - transferred to revenue	(155,228,335)	(124,004,636)	(155,228,335)	(124,004,636)
Grant paid back to National Treasury	(3,116,000)	-	(3,116,000)	-
Adjustment	(37,547)	-	(37,547)	-
	584,078	**5,566,933**	**584,078**	**5,566,933**

Airport

Current-year receipts	467,320	9,115,811	467,320	9,115,811
Conditions met - transferred to revenue	(467,320)	(9,115,811)	(467,320)	(9,115,811)
	-	**-**	**-**	**-**

Electricity side demand management

Balance unspent at beginning of year	-	2,533,993	-	2,533,993
Current-year receipts	5,000,000	-	5,000,000	-
Conditions met - transferred to revenue	(5,000,000)	(2,533,993)	(5,000,000)	(2,533,993)
	-	**-**	**-**	**-**

Finance management grant

Balance unspent at beginning of year	496,692	1,035,158	496,692	1,035,158
Current-year receipts	1,500,000	1,441,000	1,500,000	1,441,000
Conditions met - transferred to revenue	(1,996,692)	(1,979,466)	(1,996,692)	(1,979,466)
	-	**496,692**	**-**	**496,692**

Freedom square tourism hub

Balance unspent at beginning of year	6,917,268	16,858,673	6,917,268	16,858,673
Current-year receipts (interest)	3,617,258	1,760,104	3,617,258	1,760,104
Conditions met - transferred to revenue	(10,534,526)	(11,701,509)	(10,534,526)	(11,701,509)
	-	**6,917,268**	**-**	**6,917,268**

Greater Edendale development initiative

Balance unspent at beginning of year	8,515,643	12,416,766	8,515,643	12,416,766
Current-year receipts (interest)	306,041	566,372	306,041	566,372
Conditions met - transferred to revenue	(4,294,095)	(4,479,495)	(4,294,095)	(4,479,495)
Adjustments to opening balance	-	12,000	-	12,000
	4,527,589	**8,515,643**	**4,527,589**	**8,515,643**

Housing

Balance unspent at beginning of year	36,359,008	36,209,596	36,359,008	36,209,596
Current-year receipts (interest)	597,795	691,753	597,795	691,753
Conditions met - transferred to revenue	-	(542,341)	-	(542,341)
	36,956,803	**36,359,008**	**36,956,803**	**36,359,008**

Sundry

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012
25. Government grants and subsidies (continued)				
Balance unspent at beginning of year	1,414,735	6,284,549	1,414,735	6,284,549
Current-year receipts (interest)	1,557,737	1,014,295	1,557,737	1,014,295
Conditions met - transferred to revenue	(2,126,818)	(5,890,275)	(2,126,818)	(5,890,275)
Refund of grant	-	(915,846)	-	(915,846)
Adjustments to opening balance	(19,576)	954,823	(19,576)	954,823
Transfer to other grants	(300,000)	(32,811)	(300,000)	(32,811)
Adjustments	(9,187)	-	(9,187)	-
	516,891	**1,414,735**	**516,891**	**1,414,735**
Library				
Balance unspent at beginning of year	665,704	548,417	665,704	548,417
Current-year receipts (interest)	7,232,926	1,171,984	7,232,926	1,171,984
Conditions met - transferred to revenue	(3,293,938)	(792,652)	(3,293,938)	(792,652)
Adjustments to opening balance	-	(262,045)	-	(262,045)
	4,604,692	**665,704**	**4,604,692**	**665,704**
Municipal systems improvement grant				
Balance unspent at beginning of year	485,098	489,035	485,098	489,035
Current-year receipts	800,000	790,000	800,000	790,000
Conditions met - transferred to revenue	(857,035)	(793,937)	(857,035)	(793,937)
Grant paid back to National Treasury	(427,800)	-	(427,800)	-
	263	**485,098**	**263**	**485,098**
Neighbourhood development partnership grant				
Balance unspent at beginning of year	6,650,000	-	6,650,000	-
Current-year receipts (interest)	-	6,650,000	-	6,650,000
Conditions met - transferred to revenue	(501,050)	-	(501,050)	-
	6,148,950	**6,650,000**	**6,148,950**	**6,650,000**
Public transportation infrastructure - COGTA and National Treasury				
Balance unspent at beginning of year	73,601,569	31,942,905	73,601,569	31,942,905
Current-year receipts	45,000,000	63,270,000	45,000,000	63,270,000
Conditions met - transferred to revenue	(86,700,000)	(21,611,336)	(86,700,000)	(21,611,336)
Adjustments to opening balance	433,209	-	433,209	-
Grant paid back to National Treasury	(2,549,000)	-	(2,549,000)	-
	29,785,778	**73,601,569**	**29,785,778**	**73,601,569**
Other external grants				
Balance unspent at beginning of year	-	868,182	-	868,182
Conditions met - transferred to revenue	-	(840,000)	-	(840,000)
Adjustments to opening balance	-	(28,182)	-	(28,182)
	-	**-**	**-**	**-**
Trusts				
Balance unspent at beginning of year	6,052,204	5,865,258	6,052,204	5,865,258
Current-year receipts (including interest)	30,798	-	30,798	-
Conditions met - transferred to revenue	(434,128)	186,946	(434,128)	186,946

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012
25. Government grants and subsidies (continued)				
Write back to accumulated surplus	(5,648,874)	-	(5,648,874)	-
	-	**6,052,204**	**-**	**6,052,204**
Proviision of sports facilities				
Balance unspent at beginning of year	535,291	-	535,291	-
Current-year receipts (including receipts)	1,605,184	1,067,466	1,605,184	1,067,466
Conditions met - transferred to revenue	(1,377,671)	(532,175)	(1,377,671)	(532,175)
	762,804	**535,291**	**762,804**	**535,291**
Water conservation water demand management				
Current-year receipts (including interest)	1,500,000	-	1,500,000	-
Conditions met - transferred to revenue	(155,120)	-	(155,120)	-
	1,344,880	**-**	**1,344,880**	**-**
Ashburton feasibility study				
Balance unspent at beginning of year	500,000	500,000	500,000	500,000
Current-year receipts (including interest)	19,196	-	19,196	-
Conditions met - transferred to revenue	(519,196)	-	(519,196)	-
	-	**500,000**	**-**	**500,000**
Tatham Art Gallery				
Current-year receipts (including interest)	331,977	-	331,977	-
Conditions met - transferred to revenue	(23,454)	-	(23,454)	-
	308,523	**-**	**308,523**	**-**
Other external grants - Q Dot Pharma				
Balance unspent at beginning of year	-	-	40,123	40,123
Other external grants - Library				
Balance unspent at beginning of year	1,279,480	2,120,291	1,279,480	2,120,291
Current-year receipts (including interest)	19,690	32,955	19,690	32,955
Conditions met - transferred to revenue	(210,633)	(1,236,610)	(210,633)	(1,236,610)
Adjustment to opening balance	-	362,844	-	362,844
	1,088,537	**1,279,480**	**1,088,537**	**1,279,480**
Other external grants - GIJIMA/DBSA - GEDI				
Balance unspent at beginning of year	19,952	19,053	19,952	19,053
Adjustment to opening balance	-	(84)	-	(84)
Current-year receipts (including interest)	109,368	83,719	109,368	83,719
Conditions met - transferred to revenue	(109,120)	(82,736)	(109,120)	(82,736)
Refund of grant	(20,200)	-	(20,200)	-
	-	**19,952**	**-**	**19,952**
Other external grants - Spoornet				

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012
25. Government grants and subsidies (continued)				
Balance unspent at beginning of year	347,918	314,996	347,918	314,996
Current-year receipts (including interest)	16,078	32,922	16,078	32,922
	363,996	**347,918**	**363,996**	**347,918**
SETA				
Current-year receipts	-	-	300,000	30,000
Conditions met - transferred to revenue	-	-	(300,000)	(30,000)
	-	**-**	**-**	**-**
Market				
Current-year receipts (including interest)	7,657,679	-	7,657,679	-
Conditions met - transferred to revenue	(6,319,982)	-	(6,319,982)	-
	1,337,697	**-**	**1,337,697**	**-**
Electricity - INEP				
Current-year receipts (including interest)	5,000,000	-	5,000,000	-
Conditions met - transferred to revenue	(5,000,000)	-	(5,000,000)	-
	-	**-**	**-**	**-**
Electricity - COGTA				
Current-year receipts (including interest)	10,049,137	-	10,049,137	-
Conditions met - transferred to revenue	(10,000,000)	-	(10,000,000)	-
	49,137	**-**	**49,137**	**-**
Massification - COGTA				
Current-year receipts (including interest)	2,000,000	-	2,000,000	-
Conditions met - transferred to revenue	(840,436)	-	(840,436)	-
	1,159,564	**-**	**1,159,564**	**-**
Urban renew - COGTA				
Current-year receipts (including interest)	-	-	6,500,000	-
Conditions met - transferred to revenue	-	-	(6,500,000)	-
	-	**-**	**-**	**-**
New England Road				
Balance unspent at beginning of year	(433,209)	4,000,000	(433,209)	4,000,000
Current-year receipts (including interest)	5,000,000	400,000	5,000,000	400,000
Conditions met - transferred to revenue	(4,566,791)	(4,833,209)	(4,566,791)	(4,833,209)
	-	**(433,209)**	**-**	**(433,209)**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

26. Other revenue

Airport	4,426,387	3,460,651	4,426,387	3,460,651
Forestry	11,383,272	12,870,697	11,383,272	12,870,697
Market	17,559,876	17,174,918	17,559,876	17,174,918
Burials and cremations	1,715,003	1,258,041	1,715,003	1,258,041
Buildings	1,657,842	1,953,416	1,657,842	1,953,416
Re-connections	5,945,833	12,601,583	5,945,833	12,601,583
Training levy recoveries	4,791,555	3,146,805	4,791,555	3,146,805
Discount received	319,763	253,455	319,763	253,455
Sundry income	12,815,056	12,466,733	12,810,096	12,425,501
MIG project management unit operating costs	60	885	60	885
Insurance recoveries	-	11,250	-	11,250
Endowments	-	211,033	-	211,033
	60,614,647	**65,409,467**	**60,609,687**	**65,368,235**

27. Investment revenue

Interest revenue				
Interest received on external investments	34,283,812	25,906,640	34,283,812	25,906,640
Interest received on trade and other receivables	82,095,417	58,297,967	82,051,046	58,253,996
	116,379,229	**84,204,607**	**116,334,858**	**84,160,636**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

28. Employee related costs

Salaries & wages	466,727,027	461,616,055	464,508,072	459,796,642
Contributions for UIF,WCA and SALBC levy	8,304,270	7,833,364	8,103,815	7,736,615
Contributions for pensions & medical aid	133,874,599	119,167,933	133,642,355	118,976,579
Travel, motor car, accommodation, subsistence and other allowances	32,387,258	32,352,063	32,387,258	32,352,063
Overtime payments	25,660,116	27,336,905	25,660,116	27,336,905
Long-service awards	16,815,648	16,244,652	16,815,648	16,244,652
Housing benefits and allowances	3,219,304	3,754,274	3,219,304	3,754,274
	686,988,222	**668,305,246**	**684,336,568**	**666,197,730**

Remuneration of municipal manager

Annual Remuneration	1,053,529	415,932	1,053,529	415,932
Car Allowance	180,919	90,119	180,919	90,119
Contributions to UIF, Medical and Pension Funds	113,559	65,218	113,559	65,218
Bonus	-	90,000	-	90,000
Acting allowance	-	285,010	-	285,010
Cellphone allowance	18,000	-	18,000	-
	1,366,007	**946,279**	**1,366,007**	**946,279**

Remuneration of chief finance officer

Annual Remuneration	836,733	81,448	836,733	81,448
Car Allowance	128,122	-	128,122	-
Contributions to UIF, Medical and Pension Funds	78,656	-	78,656	-
Acting allowance	-	201,548	-	201,548
Cellphone allowance	14,400	-	14,400	-
	1,057,911	**282,996**	**1,057,911**	**282,996**

Remuneration of executive manager - internal audit

Annual Remuneration	565,732	-	565,732	-
Car Allowance	127,718	-	127,718	-
Contributions to UIF, Medical and Pension Funds	136,780	-	136,780	-
Acting allowance	-	85,768	-	85,768
Cellphone allowance	9,000	-	9,000	-
	839,230	**85,768**	**839,230**	**85,768**

Remuneration of deputy municipal manager community services

Annual Remuneration	1,004,562	119,382	1,004,562	119,382
Car Allowance	-	33,481	-	33,481
Acting allowance	-	542,284	-	542,284
Cellphone allowance	14,267	-	14,267	-
Backpay	37,493	-	37,493	-
	1,056,322	**695,147**	**1,056,322**	**695,147**

Remuneration of deputy municipal manager corporate services

Annual Remuneration	-	977,381	260,227	977,381

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012
28. Employee related costs (continued)				
Acting allowance	-	-	54,526	-
Leave pay - termination	-	-	30,131	-
Cellphone allowance	-	-	4,800	-
	-	**977,381**	**349,684**	**977,381**
Remuneration of deputy municipal infrastructure services				
Annual Remuneration	728,939	-	728,939	-
Car Allowance	156,001	-	156,001	-
Contributions to UIF, Medical and Pension Funds	155,122	-	155,122	-
Cellphone allowance	14,400	60,506	14,400	60,506
Travel claim	975	-	975	-
	1,055,437	**60,506**	**1,055,437**	**60,506**
Remuneration of deputy municipal manager development services				
Annual Remuneration	426,381	-	426,381	-
Car Allowance	53,411	-	53,411	-
Contributions to UIF, Medical and Pension Funds	20,381	-	20,381	-
Acting allowance	-	57,737	-	57,737
Cellphone allowance	6,000	-	6,000	-
	506,173	**57,737**	**506,173**	**57,737**

Included in the employee related costs note are the above amounts in respect of remuneration paid to key personnel.

29. Remuneration of councillors

Mayor	980,192	1,021,842	980,192	1,021,842
Deputy Mayor	804,944	891,201	804,944	891,201
Councillors	23,480,334	20,764,738	23,480,334	20,764,738
Speaker	837,022	779,617	837,022	779,617
Executive committee members	4,398,525	4,419,058	4,398,525	4,419,058
Councillors' pension and medical aid contributions	2,920,517	3,550,300	2,920,517	3,550,300
	33,421,534	**31,426,756**	**33,421,534**	**31,426,756**

In-kind benefits

The Mayor, Deputy Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Mayor and the Deputy Mayor each have the use of separate Council owned vehicles for official duties.

The Mayor and Deputy Mayor have security and an official driver at a cost to Council.

	Executive committee	Councillors
Council members	10	63
Remuneration per month	68,416	31,154
		-

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

30. Depreciation and amortisation

Property, plant and equipment	255,797,272	269,433,860	255,744,359	269,405,248
Intangible assets	1,663,602	3,659,157	1,663,602	3,659,157
	257,460,874	**273,093,017**	**257,407,961**	**273,064,405**

31. Impairment of assets

Impairments				
Property, plant and equipment	7,480,159	-	7,480,159	-
The procedure used to determine if the asset was impaired was to physically inspect the asset and determine if the asset was impaired and what factors contributed to the impairment and then comparing the condition, age and cost of the asset to the current records in the asset register and if there was a change this was then adjusted accordingly				
No impairments have been reported on cash generating assets because all assets acquired and which management has confirmed are primarily acquired for service delivery				
Investment property	1,951,690	585,791	1,951,690	585,791
Impairment of investment property was performed becasuse the municipality had identified old and dilapidated buildings which added no contributory value to the investment property				
Inventories	93,369	-	93,369	-
Due to technological changes the inventory has become redundant.				
	9,525,218	**585,791**	**9,525,218**	**585,791**

32. Finance costs

Loans	69,343,234	69,583,589	69,343,234	69,583,589
Finance leases	389,929	685,018	389,929	685,018
Other interest paid	1,232,898	1,865,460	1,232,898	1,865,460
	70,966,061	**72,134,067**	**70,966,061**	**72,134,067**

No external funding was raised for capital projects during the 2012/2013 financial year.

33. Debt impairment

Contributions to debt impairment provision	201,675,062	58,209,770	201,675,062	58,209,770

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

34. Bulk purchases

Electricity	1,039,360,585	919,409,896	1,039,360,585	919,409,896
Water	331,397,259	297,924,964	331,397,259	297,924,964
	1,370,757,844	**1,217,334,860**	**1,370,757,844**	**1,217,334,860**

35. Grants and subsidies paid

Other subsidies				
Community bodies	216,480	196,459	216,480	196,459
Safe City	-	-	3,947,368	3,947,368
	216,480	**196,459**	**4,163,848**	**4,143,827**

36. General expenses

External services	24,586,175	16,693,309	24,586,175	16,693,309
Airport	1,458,543	1,373,438	1,458,543	1,373,438
Forestry	10,941,309	11,901,599	10,941,309	11,901,599
Insurance	10,931,176	12,220,944	10,931,176	12,220,944
Provincial Intervention Team expenses	-	3,675,422	-	3,675,422
Inter departmental charges	19,229,642	19,147,106	19,229,642	19,147,106
Telephone and fax	5,654,853	5,003,290	5,654,853	5,003,290
Other expenses	155,340,376	119,314,302	154,334,107	118,523,590
Pensions payable	13,620,278	13,403,363	13,620,278	13,403,363
Mayoral projects	3,498,365	2,697,714	3,498,365	2,697,714
Grants capital expenditure	-	(49,455)	-	(49,455)
	245,260,717	**205,381,032**	**244,254,448**	**204,590,320**

37. Operating lease

Operating lease payments represent rentals payable by the Xtec Pietermaritzburg Ltd for rental of photocopy machines and fax machines.

Included in the general expenses is an amount of R345 760 relating to the rentals payable.
No contingent rent is payable

38. Gains or losses on disposal of assets

Sale of assets	(5,549,908)	(326,100)	(5,549,908)	(326,100)
Land sales	9,151,934	1,266,964	9,151,934	1,266,964
	3,602,026	**940,864**	**3,602,026**	**940,864**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

39. Cash generated from operations

Surplus	344,265,455	234,941,900	344,286,553	234,467,829
Adjustments for:				
Depreciation and amortisation	257,460,874	273,093,017	257,407,961	273,064,405
Gains or losses on sale of assets and liabilities	(3,602,027)	(1,266,964)	(3,602,027)	(1,266,964)
Loss on non-current assets	1,954,841	326,100	1,954,841	326,100
Impairment	9,525,218	585,791	9,525,218	585,791
Movements in retirement benefit assets and liabilities	194,553,858	74,085,936	194,553,858	74,085,936
Movements in provisions	37,142,554	2,066,313	37,142,554	2,066,313
Movement in housing development fund	(4,433,526)	2,312,008	(4,433,526)	2,312,008
Other non-cash items	(47,915,040)	(126,209,325)	(47,915,040)	(126,165,354)
Changes in working capital:				
Inventories	(4,609,265)	914,518	(4,609,265)	914,518
Trade and other receivables from non-exchange transactions	(2,091,304)	2,376,517	(2,067,444)	2,315,225
Trade and other receivables from exchange transactions	(219,043,512)	(145,351,587)	(219,043,512)	(145,351,587)
Trade and other payables from exchange transactions	28,976,929	77,988,611	28,948,796	78,315,398
VAT	21,365,344	11,101,024	21,365,344	11,101,024
Unspent conditional grants and receipts	(59,867,343)	28,138,098	(59,867,343)	28,138,098
Current portion of long term receivables	-	1,422,094	-	1,422,094
Taxation paid	(108,075)	-	-	-
	553,574,981	**436,524,051**	**553,646,968**	**436,330,834**

40. Issued capital

Authorised share capital				
1000 Ordinary shares of R 1 each	-	1,000	-	-
Issued				
100 Ordinary shares of R 1 each	100	100	-	-

The unissued shares of Safe City are under the control of the directors until the forthcoming annual general meeting.

41. Additional disclosure in terms of Municipal Finance Management Act

Contribtions to SALGA/KWANALOGA

Council subscriptions	451,106	356,497	451,106	356,497
Amount paid - current year	(451,106)	(356,497)	(451,106)	(356,497)
	-	**-**	**-**	**-**

Audit fees

Opening balance	112,452	205,996	112,452	205,996
Audit fee invoiced	3,549,983	4,034,202	3,549,983	4,034,202
Amount paid - current year	(3,433,037)	(4,127,746)	(3,433,037)	(4,127,746)
	229,398	**112,452**	**229,398**	**112,452**

PAYE and UIF

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

41. Additional disclosure in terms of Municipal Finance Management Act (continued)

Current year payroll deductions	86,882,061	84,374,854	86,882,061	84,374,854
Amount paid - current year	(86,882,061)	(84,374,854)	(86,882,061)	(84,374,854)
	-	**-**	**-**	**-**

Pension and Medical Aid Deductions

Current year payroll deductions & Council contributions	210,808,991	194,194,935	210,808,991	194,194,935
Amount paid - current year	(210,808,991)	(194,194,935)	(210,808,991)	(194,194,935)
	-	**-**	**-**	**-**

VAT

VAT receivable	32,341	8,482	-	-
VAT payable	74,025,075	52,659,731	74,025,075	52,659,731
	74,057,416	**52,668,213**	**74,025,075**	**52,659,731**

VAT output payables and VAT input receivables are shown in note .

All VAT returns have been submitted by the due date throughout the year.

VAT is only declared to SARS on receipt of payment from consumers

Councillors' arrear consumer accounts

Normal credit control procedures have been applied to recovery the oustanding debt.
Councillors have made arrangements to re pay outstanding debt.

The following Councillors had arrear accounts outsatinding for more than 90 days at 30 June 2013 :

30 June 2013	**Outstanding less than 90 days**	**Outstanding more than 90 days**	**Total**
TI Dlamini	-	12,403	12,403
TRM Zungu	-	107	107
M Inderjit	-	2,121	2,121
MB Zuma	-	566	566
VGM Mlete	-	37,223	37,223
P Sithole	-	18,754	18,754
DB Phungula	-	27,712	27,712
WF Lambert	-	7,748	7,748
	-	**106,634**	**106,634**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

41. Additional disclosure in terms of Municipal Finance Management Act (continued)

30 June 2012	Outstanding less than 90 days	Outstanding more than 90 days	Total
TI Dlamini	-	2,787	2,787
MB Mkhize	-	356	356
TRM Zungu	-	8,411	8,411
M Inderjit	-	3,893	3,893
TR Zuma	-	158	158
M Maphumalo	-	2,368	2,368
VGM Mlete	-	30,938	30,938
P Sithole	-	8,974	8,974
SC Ndawonde	-	15,186	15,186
DB Phungula	-	7,169	7,169
R Ahmed	-	12,032	12,032
T Matiwane	-	17,789	17,789
	-	**110,061**	**110,061**

42. Deviation from supply chain management regulations

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the City Manager and noted by Council. The expenses incurred as listed hereunder have been condoned.

Incidents				
Advertisements	-	-	-	870,657
Computer expenditure	-	-	-	78,484
Health and safety	-	31,012	-	329,771
Legal	-	1,142,465	-	168,144
Other	-	585,601	-	29,380
Repairs to property, plant and equipment	-	-	-	595,322
Repairs to motor vehicles	-	3,933,387	-	2,064,560
Repairs and maintenance	-	1,556,955	-	1,182,242
Forensic	-	1,114,069	-	-
Library	-	1,812,057	-	-
Service delivery	-	2,002,689	-	72,640
Training	-	27,743	-	59,000
Uniforms	-	-	-	689,850
	-	**12,205,978**	**-**	**6,140,050**

43. Prepaid electricity

Commissions - are calculated on sales from prepaid electricity sales made by vendors on behalf of the Council.The commissions are included in the general expenses category of the statement of financial performance.

In the 2006/2007 financial year two vendors had defaulted in depositing amounts received from prepaid sales. As a result no commission was paid to them. The defaulting vendors are Sweet waters and Phayiphini who had ceased trading in January 2007 and October 2006 respectively.

The amounts of R55 723 and R75 896 respectively are deemed to be irrecoverable for the 2005/2006 financial year. Also the amounts of R13 980 and R15 671 being the movements for the 2006/2007 year are deemed irrecoverable .

This matter is being handled by the legal division in conjunction with the SAPS - Commercial branch unit and Venn Nemeth & Hart attorneys.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

44. Commitments

Authorised capital expenditure

Already contracted for but not provided for				
• Property, plant and equipment	-	125,521,555	-	141,033,294
Operating leases - as lessee (expense)				
• Minimum lease payments due - within one year	-	945,999	-	-
• Minimum lease payments due - in second to fifth year inclusive	-	1,576,665	-	-
	-	**2,522,664**	**-**	**-**

45. Contingencies

Refer to Appendix F for a detailed listing of the contingent liabilities	42,529,437	56,306,436	42,529,437	56,306,436

46. Related parties

The NCT tree farming (Pty) Ltd manages timber plantations established on Council owned land on behalf of the Council by a management agreement. NCT is entitled to a 5% management fee based on net profit.

Safe City has been formed as a partnership with the business community to combat crime in the city. Council allocates a grant in aid to the entity.

NCT - 5% of management fee	23,261	51,005	23,261	51,005
Safe City - grant	3,947,368	3,947,368	3,947,368	3,947,368
	3,970,629	**3,998,373**	**3,970,629**	**3,998,373**

47. Events after the reporting date

Mountain rise crematorium

On the 20th of August 2013 the new cremators malfunctioned during the first cremation. Subsequent to this event all further cremations ceased and the contractor was called in to investigate the malfuction.

The total cost of the remedial work amounts to R 620 000 and will be borne by the contractor. The expected time for the completion of the remedial work is 30th September 2013.

Debtors amensty period

On the 28th August 2013, Council resolved that the Debt Collection Campaign be implemented from 1st September 2013 to 31st May 2014.

The amnesty period is only applicable to residential household consumers, flats and small home business as their primary use is residential.

48. Prior period errors

The comparative amounts have been re-stated as follows :	-	(22,499,579)	-	(22,499,579)

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012
48. Prior period errors (continued)				
Transaction's affecting the statement of financial position				
Restatement of trade and other payables				
Due to errors in trade and other payables control votes have been cleared	-	(3,101,178)	-	(3,101,178)
Clearing stale cheques due to prescription	-	(2,980,333)	-	(2,980,333)
Writing back of retention monies due to non performance of contractor	-	(5,299)	-	(5,299)
Write back of trust funds as per strategic management committee resoultion	-	(4,966,722)	-	(4,966,722)
Restatement of trade and other receivables from non exchangetransactions				
Due to errors in trade and other receivables control votes have been cleared	-	17,544	-	17,544
Write back of unknown deposits due to prescription	-	(1,241,489)	-	(1,241,489)
Restatement of curent provisions				
Corrections on Debi market development fund	-	(28,800)	-	(28,800)
Restatement of inventory				
Writeback of concrete casting yard stock	-	739,842	-	739,842
	-	**(11,566,435)**	**-**	**(11,566,435)**
Transaction's affecting the statement of financial performance				
Restatement of expenditure				
Disallowed unspent conditional grant expenditure to due unspending	-	2,595,200	-	2,595,200
Over accrual of expenditure	-	(120,798)	-	(120,798)
Write back of expenditure from the airport development fund	-	(78,190)	-	(78,190)
Cancellation of goods received notes	-	(4,450,960)	-	(4,450,960)
Cheques stolen not yet re-imbursed due to prescription	-	(44,792)	-	(44,762)
Adjustment of depreciation on re-classified assets	-	(22,873)	-	(22,873)
Restatement of revenue				
Recovery of income forgone	-	(3,128,750)	-	(3,128,750)
Writing back unallocated revenue	-	(3,719,204)	-	(3,719,204)
Writing back revenue from tampering and illegal connections	-	(1,962,807)	-	(1,962,807)
	-	**(10,933,174)**	**-**	**(10,933,144)**
49. Irregular expenditure				
Opening balance	10,593,015	222,825,734	10,593,015	222,825,734
Add: Irregular Expenditure - current year	6,475,508	38,200	6,475,508	38,200
Less: Amounts condoned	(4,712,344)	(212,270,919)	(4,712,344)	(212,270,919)
	12,356,179	**10,593,015**	**12,356,179**	**10,593,015**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

49. Irregular expenditure (continued)

Analysis of expenditure awaiting condonation per age classification

2008/2009	4,077,827	4,077,827	4,077,827	4,077,827
2009/2010	4,888,355	4,888,355	4,888,355	4,888,355
2010/2011	1,588,633	1,588,633	1,588,633	1,588,633
2011/2012	38,200	38,200	38,200	38,200
2012/2013	1,763,164	-	1,763,164	-
	12,356,179	**10,593,015**	**12,356,179**	**10,593,015**

Details of Irregular Expenditure – Current year

Deviation from SCM process - Msunduzi One Regional Taxi Council - Contract no PS 50 of 07/08 - cleaning and security	1,427,511
Expired contract - Gestetner - Contract no 26 of 2004 - multifunction photocopiers and printers	1,115,025
Expired contract - Edendale Funeral Furnishers - pauper burials	82,440
Servest (Pty) Ltd - Contract PU of 09/10 - maintanance of Harry Gwala Stadium	889,500
Ayliffe Action Airconditioning & Refrigeration - Contract no SCMQ 78 & 80 of 12/13 - Maintanance of air conditioning	599,473
Stranack Refrigeration - Contract no SCMQ 81& 82 of 12/13 - Maintanance of air conditioning	598,395
Awards to persons in service of municipality	1,704,454
Legal fees - Indiza Airport Management for Oribi Airport - cancellation and re-advertisement of specialised - contract SCM 11 of 10/11	58,710
	6,475,508

Details of Irregular Expenditure condoned for current year

Deviation from SCM process - Msunduzi One Regional Taxi Council - Contract no PS 50 of 07/08 - cleaning and security	1,427,511
Expired contract - Gestetner - Contract no 26 of 2004 - multifunction photocopiers and printers	1,115,025
Expired contract - Edendale Funeral Furnishers - pauper burials	82,440
Servest (Pty) Ltd - Contract PU of 09/10 - maintanance of Harry Gwala Stadium	889,500
Ayliffe Action Airconditioning & Refrigeration - Contract no SCMQ 78 & 80 of 12/13 - Maintanance of air conditioning	599,473
Stranack Refrigeration - Contract no SCMQ 81& 82 of 12/13 - Maintanance of air conditioning	598,395
	4,712,344

Details of Irregular Expenditure not recoverable (not condoned) in current year

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

49. Irregular expenditure (continued)

Awards to persons in service of municipality		1,704,454		
Legal fees - Indiza Airport Management for Oribi Airport - cancellation and re-advertisement of specialised - contract SCM 11 of 10/11		58,710		
		1,763,164		

50. Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	3,993,459	3,956,970	3,993,459	3,956,970
Reconciliation of fruitless and wasteful expenditure				
Opening balance	3,956,970	3,077,827	3,956,970	3,077,827
Fruitless and wasteful expenditure current year	36,490	879,143	36,490	879,143
Fruitless and wasteful expenditure awaiting condonement/repayment	**3,993,460**	**3,956,970**	**3,993,460**	**3,956,970**
Interest on : Late payment of Telkom accounts	7,629	22,011	7,629	22,011
Interest on : Late payment of Eskom accounts	25,848	11,708	25,848	11,708
Advertising costs on tenders withdrawn	-	67,897	-	67,897
Cancellation of electricity contract : PriceWaterhouseCoopers	-	777,527	-	777,527
Interest on : Late payment of Post office accounts	1,911	-	1,911	-
Interest on : Late payment of SABC TV license	200	-	200	-
Interest on : Late payment to Swiftnet	902	-	902	-
	36,490	**879,143**	**36,490**	**879,143**

A system has been put in place to stream-line the payment process to ensure non occurrence of interest costs. Staff have been advised on possible recovery of costs due negligence.

51. Unauthorised expenditure

Depreciation and asset impairment	-	21,071,373	-	21,071,373

Depreciation is calculated as an estimate on the approved budget and taking in to account the previous years depreciation.

The following two factors are not considered when depreciation is estimated:

1.Depreciation as captured in the statement of financial performance is inclusive of offset depreciation which includes depreciation on revaluations.

2. Variances do occur due to asset reclassification,revaluations and review of useful lives of assets.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

52. Electricity, water and inventory losses

Electricity losses				
Units purchased - kWh	1,748,918,830	1,752,171,161	1,748,918,830	1,752,171,161
Units sold - kWh	(1,546,449,278)	(1,514,431,630)	(1,546,449,278)	(1,514,431,630)
Street light losses - kWh	-	(10,693,112)	-	(10,693,112)
Loss - kWh	202,469,552	227,046,419	202,469,552	227,046,419
Electricity loss as a percentage	12	13	12	13
Cost per kWh in cents	0.60427	0.52440	0.60427	0.52440
Electricity loss in rand value	**122,345,594**	**119,063,582**	**122,345,594**	**119,063,582**

The acceptable norm of electricity loss is 5%.The significant electricity losses of 2013 : 202,469,552 kWh (2012 - 227,046,419 KWh) occurred during the year under review, which resulted in material revenue losses to the municipality.

The reduction in losses are due to vigorous attempts to reduce illegal connections from the informal settlements. It is still however higher than the norm.

Water losses				
Units purchased -Kl	64,680,158	66,801,851	64,680,158	66,801,851
Units sold - Kl	(43,461,581)	39,643,638	(4,346,581)	39,643,638
Losses - Kl	21,218,577	27,158,213	21,218,577	27,158,213
Apparent losses - Kl	(5,516,830)	(7,061,135)	(5,516,830)	(7,061,135)
Real losses - Kl	15,701,747	20,097,078	15,701,747	20,097,078
Water loss as a percentage	24	30	24	30
Rand per kilolitre	4.35500	2.76590	4.35500	2.76590
Water loss in rand value	**92,406,904**	**75,116,846**	**92,406,904**	**75,116,846**

The acceptable norm in developing countries of water loss is 20%.The significant water losses of 2013 : 15,701,747 kl (2012: 20,097,078 kl) occurred during the year under review, which resulted material revenue losses to the municipality.

The loss above the norm is due to theft, distribution losses, illegal tampering of water meters and can also be attributable to the ageing infrastructure.

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Inventory losses				
Central Stores - net write up of general ledger	-	132,048	-	132,048

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

52. Electricity, water and inventory losses (continued)

Targets

1.Hathorns reservoir repair – completion of reservoir rehabilitation and repair

2.Timer control units and PRV discreetness – installation and commissioning of 2 pilot, advanced timer control devices.

3.PRV maintenance and i20 Installations – install and commission 7 i20 advanced flow-modulating PRV controllers

4.Implementation of meter replacement programme – maintain and replace 4000 malfuctioning and/or damaged domestic meters

5.Bulk commercial meter changeout programme – replace Top 200 bulk water consumers

6.Civils contract for valve magnetic tops – make discreet the 7 i20 controller zones

Achievements/Progress
1.Hathorns reservoir repair – reservoir rehabilitation and repair was completed at the beginning of the 2012/13 financial year.

2.Timer control units and PRV discreetness – installation and commissioning of 2 pilot, advanced timer control devices.

3.PRV maintenance and i20 Installations – installed and commissioned 7 i20 advanced flow-modulating PRV controllers. The seven installations sites chosen where prioritised on size of zone as well as zones requiring pressure management to reduce high burst frequencies caused by fluctuating peak and off-peak pressures.

4.Implementation of meter replacement programme – this was project managed thought the NRW PSP with the help of five plumbing contractors. To date 804 meters have been maintained to ensure that the consumers receive accurate bills and 1986 damaged and malfunctioning meters have been replaced.

5.Bulk commercial meter changeout programme – to date 24 of the Top 200 consumers have been replaced with the correct installation and meter which shall yield increased revenue for the Municipality. It is still to early to validate and report on the results until a minimum of 6 months worth of billing is completed post-meter change out.

6.Civils contract for valve magnetic tops – make discreet the 7 i20 controller zones. Towards the end of the financial year an awarded was made for the replacement/refurbishment of zone dividers.The civils contract was to ensure that the seven i20 controller zones were secure from being breached and this is still on-going with the contract due for completion before the Christmas shut-down.

Inventory losses

Cable stores - net write down of general ledger	93,369	132,048	93,369	132,048

There has been a close monitoring and interrogation of the movement of inventory. Additional staff have been appointed to maximise efficiency of the central stores.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

53. Traffic fines outstanding

As per NATIS - traffic department				
Notice of intention to prosecute - 341's	2,583,925	3,019,600	2,583,925	3,019,600
Paid	(74,650)	(114,250)	(74,650)	(114,250)
Withdrawn	(364,200)	(377,150)	(364,200)	(377,150)
Unsuccessful	(3,875)	(37,350)	(3,875)	(37,350)
Section 56 notices - summons	5,708,700	8,422,200	5,708,700	8,422,200
Paid	(746,695)	(1,412,595)	(746,695)	(1,412,595)
Withdrawn	(1,604,085)	(1,352,550)	(1,640,085)	(1,352,550)
Unsuccessful	(11,750)	(1,388,205)	(11,750)	(1,388,205)
Warrant of arrests	(292,220)	(500,650)	(292,220)	(500,650)
	5,195,150	**6,259,050**	**5,159,150**	**6,259,050**

54. Comparative figures

Certain comparative figures have been reclassified.

The net effects of the reclassification are as follows:

Statement of Financial Performance				
In the 2011/2012 financial year - general expenses decreased	-	(56,654,632)	-	(56,654,632)
In 2011/2012 - contracted services increased	-	21,090,729	-	21,090,729
In 2011/2012 - conditional grant expenditure increased	-	35,563,903	-	35,563,903

55. Accumulated surplus / deficit

Implementation of GRAP - Ring fencing of reserves				
Accumulated surplus	5,990,665,543	5,692,825,017	6,029,610,721	5,691,657,320
Self insurance reserve	67,227,157	60,248,528	67,227,157	60,248,528
Government grant reserve	512,453,571	520,904,789	512,453,571	520,904,789
Capital replacement reserve	12,635,718	12,635,718	12,635,718	12,635,718
	6,582,981,989	**6,286,614,052**	**6,621,927,167**	**6,285,446,355**

56. Intervention in terms of section 139 (1) (b) of the Constitution

Expenditure relating to the Provincial Intervention Team (PIT) for the period 1 July 2011 to 30 June 2012.

Forensic investigations	-	3,675,422	-	3,675,422

The following expenditure for the Provincial Intervention Team (PIT) had deviated from normal supply chain management policy and procedures. These goods and services were procured under the Supply Chain Management Regulation Section 36 as emergency/ urgency requirement of goods and services.

List of suppliers				
Focus Project Management	-	1,158,595	-	1,158,595
KPMG Services	-	1,411,380	-	1,411,380
Kwazulu Natal Security	-	49,546	-	49,546
Msunduzi Finance - Petty Cash	-	828	-	828
Potgieter Kunene Xaba	-	1,048,469	-	1,048,469
W Geringer	-	6,604	-	6,604
	-	**3,675,422**	**-**	**3,675,422**

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

57. Change in estimate

Property, plant and equipment

Review of useful life for fully depreciated assets according to GRAP 17.The effect of this revision has increased the provision by R 28 396 843

Landfill rehabilitation provision

The New England Road landfill site provisional programme closure was awarded to Envitech Solutions. The useful life of the landfill site was estimated in 2013 to be 10 years. The landfill site provision represents management's best estimate of the municipality's rehabilition liability based on an valuation provided by an external consultant. The effect of this revision has increased the provision by R33 057 761.

58. Risk management

Financial risk management

The municipality’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality’s financial performance.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality’s risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

The municipality’s interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the municipality to fair value interest rate risk.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored.

	Economic entity		Controlling entity	
Figures in Rand	2013	2012	2013	2012

59. Going concern

The consolidated annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX A
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/12	Received during the period	Redeemed written off during the period	Balance at 30/06/13
LONG-TERM LOANS			**R**	**R**	**R**	**R**
DBSA - 15.5%	11158	30/09/2018	8,955,610		879,397	8,076,213
DBSA - 15.5%	11159	31/03/2019	11,315,752		987,872	10,327,880
DBSA - 15.5%	11160	31/03/2019	9,643,910		841,918	8,801,992
DBSA - 16.5%	13446	31/03/2020	18,692,788		1,256,251	17,436,537
DBSA - 16.5%	13447	31/03/2020	7,968,003		535,490	7,432,513
DBSA - 16.5%	13448	31/03/2020	11,797,693		792,865	11,004,828
DBSA - 14.27%	14039/101	31/12/2014	21,575,421		7,793,347	13,782,074
DBSA - 14.27%	14039/102	31/12/2015	722,244		173,780	548,464
DBSA - 14.27%	102091	11/02/2020	4,084,649		307,478	3,777,171
DBSA - 14.27%	102416	28/06/2021	37,959,277		2,802,157	35,157,120
DBSA - 10.75%	11649	30/06/2013	6,917		6,917	-0
DBSA - 9.31%	101922	30/09/2020	18,425,560		1,517,178	16,908,382
DBSA - 8.7%	102797	30/09/2022	73,585,610		4,525,308	69,060,302
DBSA - 10.79%	103059/1	30/09/2023	56,564,953		2,669,774	53,895,179
DBSA - 6.75%	103059/2	30/09/2023	13,545,284		811,692	12,733,592
DBSA -12.02%	103594/1	31/12/2024	104,455,872		3,919,052	100,536,820
DBSA - 6.75%	103594/2	31/12/2024	33,527,761		1,780,409	31,747,352
DBSA - 12.10%	103721	31/03/2025	176,603,430	11,543,202	6,670,653	181,475,979
DBSA Total			**609,430,734**	**11,543,202**	**38,271,539**	**582,702,397**
RMB/INCA - 16.35%	Piet-00-0001	31/12/2010	808,798		808,798	-
INCA - 11.65%	Msun-00-0001	31/12/2013	6,939,374		4,494,492	2,444,882
RMB/INCA Total			**7,748,172**		**5,303,290**	**2,444,882**
RMB/HULETTS - 8.71%	Sub-station	30/06/2013	2,359,439		1,513,511	845,928
RMB/HULETTS Total			**2,359,439**	**-**	**1,513,511**	**845,928**
Total Long-term Loans			**619,538,345**	**11,543,202**	**45,088,340**	**585,993,207**
LEASE LIABILITY						
Nedbank - 10.000%	Nedbank 10	31/12/2014	199,597		73,933	125,665
Nedbank - 10.000%	Nedbank 11	24/12/2014	199,597		73,933	125,665
Nedbank - 10.500%	Nedbank 12	31/12/2017	1,238,651		198,810	1,039,841
Nedbank - 13.369%	Nedbank 23	01/10/2013	77,436		56,772	20,664
Nedbank - 13.369%	Nedbank 24	01/10/2013	77,436		56,772	20,664
Nedbank - 13.369%	Nedbank 26	01/10/2013	77,436		56,772	20,664
Nedbank - 13.369%	Nedbank 27	01/10/2013	70,344		51,573	18,772
Nedbank - 13.369%	Nedbank 28	01/10/2013	70,344		51,573	18,772
Nedbank - 13.369%	Nedbank 29	01/10/2013	70,344		51,573	18,772
Nedbank - 13.369%	Nedbank 30	01/10/2013	105,618		77,433	28,185
Nedbank - 13.369%	Nedbank 31	01/10/2013	51,083		37,451	13,632
Nedbank - 13.369%	Nedbank 32	01/10/2013	51,083		37,451	13,632
Nedbank - 13.369%	Nedbank 33	01/10/2013	51,083		37,451	13,632
Nedbank - 13.369%	Nedbank 34	01/10/2013	51,810		37,984	13,826
Nedbank - 13.369%	Nedbank 35	01/10/2013	104,517		76,626	27,891
Nedbank - 13.369%	Nedbank 36	01/10/2013	41,069		30,110	10,959
Nedbank - 13.369%	Nedbank 37	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 38	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 40	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 42	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 43	01/10/2013	23,339		17,111	6,228

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2013

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 30/06/12	Received during the period	Redeemed written off during the period	Balance at 30/06/13
Nedbank - 13.369%	Nedbank 44	01/10/2013	41,069		30,110	10,959
Nedbank - 13.369%	Nedbank 45	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 46	01/10/2013	41,069		30,110	10,959
Nedbank - 13.369%	Nedbank 47	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 48	01/10/2013	41,069		30,110	10,959
Nedbank - 13.369%	Nedbank 49	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 51	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 52	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 54	01/10/2013	23,339		17,111	6,228
Nedbank - 13.369%	Nedbank 55	01/10/2013	23,339		17,111	6,228
Nedbank - 13.556%	Nedbank 56	01/10/2013	35,095		25,721	9,374
Nedbank - 13.556%	Nedbank 57	01/10/2013	35,095		25,721	9,374
Nedbank - 13.556%	Nedbank 58	01/10/2013	35,095		25,721	9,374
Nedbank - 13.556%	Nedbank 59	01/10/2013	35,095		25,721	9,374
Nedbank - 13.369%	Nedbank 60	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 62	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 63	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 64	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 65	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 66	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 67	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 68	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 69	01/10/2013	46,250		46,250	0
Nedbank - 13.369%	Nedbank 70	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 71	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 72	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 73	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 74	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 75	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 76	01/10/2013	46,250		33,908	12,342
Nedbank - 13.369%	Nedbank 77	01/10/2013	46,250		33,908	12,342
Nedbank - 13.376%	Nedbank 78	01/10/2013	97,407		66,829	30,578
Nedbank - 13.376%	Nedbank 79	01/10/2013	97,979		67,221	30,758
Nedbank - 13.376%	Nedbank 80	01/10/2013	95,623		65,605	30,018
Nedbank - 13.376%	Nedbank 81	01/10/2013	98,065		67,280	30,785
Nedbank Total			**4,256,432**	**-**	**2,260,472**	**1,995,960**
Total lease liability			**4,256,432**	**-**	**2,260,472**	**1,995,960**
TOTAL EXTERNAL LOANS			**623,794,777**	**11,543,202**	**47,348,812**	**587,989,167**

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY

APPENDIX B

ANALYSIS OF PROPERTY ,PLANT AND EQUIPMENT AT 30 JUNE 2013

	Cost							Accumulated Depreciation							
	Opening Balance	Adjustments	Impairment	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Adjustments	Additions (Depreciation)	Disposals current yr	Disposals Acc. Deprrecaition	Impairment	Closing Balance	Carrying Value
LAND AND BUILDINGS															
Land	277,888,488	4,613,000		100,000		-3,488,000	**279,113,488**	0	0	0	0	0	0	**0**	**279,113,488**
Buildings	297,225,274	92,813,008	0	247,588	11,819,725	0	**402,105,596**	92,609,416	34,815,507	25,591,142	0	0	0	**153,016,065**	**249,089,531**
Investment Property	381,012,346	-51,185,443	-1,951,690	920,000		-8,274,976	**320,520,236**	0	0	0	0	0	0	**0**	**320,520,236**
Total Land and Buildings	**956,126,108**	**46,240,565**	**-1,951,690**	**1,267,588**	**11,819,725**	**-11,762,976**	**1,001,739,320**	**92,609,416**	**34,815,507**	**25,591,142**	**0**	**0**	**0**	**153,016,065**	**848,723,255**
ELECTRICITY															
HV Overhead Lines	55,730,520	0	0	0	13,970,318	0	**69,700,838**	5,067,296	0	1,064,713	0	0		**6,132,009**	**63,568,829**
HV Substations	229,145,524	0	-197,171	8,370,025	0	-120,729	**237,197,649**	19,797,551	0	4,703,461	-6,150	-26,260		**24,468,603**	**212,729,047**
HV Underground Cables	15,087,569	0	0	0	0	0	**15,087,569**	1,450,389	0	289,940	0	0		**1,740,329**	**13,347,240**
LV Street Lighting	50,045,608	0	-142,548	0	13,082,960	0	**62,986,019**	3,263,612	0	890,225	-2,849	-11,412		**4,139,577**	**58,846,443**
MV Ground Mounted Transformers	12,497,526	460,000	-134,712	8,813,785	15,000,000	0	**36,636,600**	163,696	38,314	266,114	-2,692	-5,400		**460,033**	**36,176,567**
MV Mini Substations	107,179,585	0	-3,161,560	3,310,015	468,663	0	**107,796,704**	10,267,104	0	2,060,583	-60,753	-304,105		**11,962,829**	**95,833,875**
MV Overhead Lines	23,406,159	0	0	0	0	0	**23,406,159**	2,207,081	0	450,573	0	0		**2,657,655**	**20,748,504**
MV Substations	121,901,202	0	-2,841,118	0	0	0	**119,060,084**	12,417,156	0	2,518,062	-54,596	-273,282		**14,607,341**	**104,452,743**
MV Underground Cables	709,491,306	0	0	188,906	10,363,196	0	**720,043,408**	68,174,859	0	13,635,310	0	0		**81,810,169**	**638,233,239**
MV Pole Mounted Transformers	14,468,451	40,291	-40,291	2,108,127	0	0	**16,576,578**	1,325,931	0	284,297	-470	0		**1,609,758**	**14,966,820**
MV Ring Main Unit	14,042,379	-460,000	-276,298	12,070,510	0	0	**25,376,590**	1,299,012	-38,314	325,272	-6,043	-22,652		**1,557,275**	**23,819,316**
	1,352,995,828	**40,291**	**-6,793,698**	**34,861,369**	**52,885,138**	**-120,729**	**1,433,868,199**	**125,433,689**	**0**	**26,488,551**	**-133,553**	**-643,110**	**0**	**151,145,577**	**1,282,722,622**
ROADS															
Overhead Gantry	130,000	0	0	0	0	0	**130,000**	6,375	0	1,274	0	0		**7,649**	**122,351**
Concrete Roads	26,225,076	0	0	0	0	0	**26,225,076**	2,473,384	0	494,125	0	0		**2,967,510**	**23,257,567**
Flexible Roads	1,489,555,897	0	0	23,712,351	55,504,560	0	**1,568,772,808**	243,126,040	-24,841	49,277,154	0	0	629,306	**293,007,658**	**1,275,765,150**
Unpaved Roads	131,841,005	0	0	0	0	0	**131,841,005**	48,996,043	24,727	9,790,999	0	0		**58,811,769**	**73,029,236**
Other Roads	136,206,156	0	0	0	0	0	**136,206,156**	9,722,276	0	3,405,076	0	0		**13,127,352**	**123,078,804**
Structures	236,821,422	0	0	0	0	0	**236,821,422**	11,505,479	0	2,292,477	0	0	27,000	**13,824,956**	**222,996,466**
Signalized Intersections	44,732,227	0	0	0	0	0	**44,732,227**	11,711,427	0	2,571,344	0	0	39,867	**14,322,637**	**30,409,590**
Airport Runway	65,915,765	0	0	0	0	0	**65,915,765**	5,839,855	0	1,357,724	0	0		**7,197,579**	**58,718,186**
	2,131,427,548	**0**	**0**	**23,712,351**	**55,504,560**	**0**	**2,210,644,459**	**333,380,879**	**-115**	**69,190,173**	**0**	**0**	**696,172**	**403,267,110**	**1,807,377,349**
SANITATION															
Sewer Treatment Works	2,760,618	0	0	0	0	0	**2,760,618**	474,452	0	98,582	0	0	0	**573,034**	**2,187,584**
Pump Stations	20,356,691	0	0	0	1,602,568	0	**21,959,259**	2,018,604	0	431,370	0	0	0	**2,449,974**	**19,509,285**
Bulk Sewers	63,891,107	0	0	0	0	0	**63,891,107**	5,085,589	0	900,648	0	0	122,884	**6,109,121**	**57,781,986**
Sewer Reticulation	540,391,915	0	0	858,223	14,337,615	0	**555,587,753**	48,372,867	0	10,270,614	0	0	491,535	**59,135,015**	**496,452,738**
	627,400,331	**0**	**0**	**858,223**	**15,940,183**	**0**	**644,198,737**	**55,951,512**	**0**	**11,701,214**	**0**	**0**	**614,418**	**68,267,144**	**575,931,593**
WATER															
Water Reticulation	396,119,392	-13,121	0	793,295	2,556,972	0	**399,456,537**	37,558,891	0	6,476,506	0	0	1,335,975	**45,371,371**	**354,085,166**
Pump Stations	9,809,888	0	0	0	0	0	**9,809,888**	2,468,369	0	493,100	0	0	0	**2,961,469**	**6,848,418**
Reservoirs	129,653,780	0	0	0	31,576,676	0	**161,230,456**	8,070,574	0	1,488,624	0	0	160,143	**9,719,341**	**151,511,115**
Water Supply Bulk Water Pipelines	444,721,785	0	0	0	0	0	**444,721,785**	25,119,888	0	4,936,742	0	0	112,100	**30,168,730**	**414,553,055**
Water Supply Pressure Reduce Valve	3,764,700	0	0	0	0	0	**3,764,700**	1,107,542	0	221,250	0	0	0	**1,328,792**	**2,435,908**
Water Meters	230,940	0	0	0	0	0	**230,940**	67,943	0	13,572	0	0	0	**81,515**	**149,426**
	984,300,485	**-13,121**	**0**	**793,295**	**34,133,647**	0	**1,019,214,307**	**74,393,208**	**0**	**13,629,793**	**0**	**0**	**1,608,218**	**89,631,218**	**929,583,088**
SECURITY									0	0	0	0	0	**0**	**0**
Fencing	4,806,891	0	0	0	0	0	**4,806,891**	2,724,950	0	193,111	0	0	0	**2,918,061**	**1,888,830**
Security Systems	24,266,234	0	0	15,000	0	0	**24,281,234**	17,753,279	-232,067	1,876,489	0	0	0	**19,397,701**	**4,883,533**
Access Control	173,768	0	0	74,500	0	0	**248,269**	100,240	-8,886	23,995	0	0	0	**115,350**	**132,918**
	29,246,894	**0**	**0**	**89,500**	0	0	**29,336,394**	**20,578,470**	**-240,953**	**2,093,595**	**0**	**0**	**0**	**22,431,112**	**6,905,282**
STORMWATER															
Major Culverts	41,382,991	0	0	0	0	0	**41,382,991**	3,896,450	0	796,285	0	0	0	**4,692,735**	**36,690,255**
Minor Culverts	662,608	0	0	0	0	0	**662,608**	62,909	0	12,568	0	0	0	**75,477**	**587,131**
Kerb Inlets	87,153,219	0	0	0	0	0	**87,153,219**	16,112,893	0	3,226,250	0	0	0	**19,339,143**	**67,814,076**
Manholes	56,558,788	0	0	0	0	0	**56,558,788**	10,477,081	0	2,093,039	0	0	0	**12,570,121**	**43,988,667**
Open Channels	14,088,172	0	0	0	12,183,903	0	**26,272,075**	1,246,003	0	271,830	0	0	0	**1,517,833**	**24,754,242**
Reticulation	347,320,067	0	0	0	0	0	**347,320,067**	33,018,600	0	6,689,602	0	0	0	**39,708,202**	**307,611,865**
Head and Wingwalls	5,549,544	0	0	0	0	0	**5,549,544**	1,028,011	0	205,369	0	0	0	**1,233,380**	**4,316,164**
	552,715,389	**0**	**0**	**0**	**12,183,903**	**0**	**564,899,292**	**65,841,947**	**0**	**13,294,943**	**0**	**0**	**0**	**79,136,890**	**485,762,402**
RAILWAY LINES															
Railway Lines	3,509,480	0	0	0	0	0	**3,509,480**	1,634,544	0	101,371	0	0	0	**1,735,915**	**1,773,566**
	3,509,480	**0**	**0**	**0**	**0**	**0**	**3,509,480**	**1,634,544**	**0**	**101,371**	**0**	**0**	**0**	**1,735,915**	**1,773,566**
SOLID WASTE															
Garden Refuse	1,886,197	65,749	0	0	0	0	**1,951,945**	389,946	2,747	79,210	0	0	0	**471,903**	**1,480,042**
Landfill Site	2,693,157	0	0	0	0	0	**2,693,157**	405,811	0	81,067	0	0	0	**486,878**	**2,206,279**
Sorting Stations	870,400	0	0	0	0	0	**870,400**	151,396	0	30,243	0	0	0	**181,639**	**688,761**
	5,449,754	**65,749**	**0**	**0**	**0**	**0**	**5,515,502**	**947,152**	**2,747**	**190,520**	**0**	**0**	**0**	**1,140,420**	**4,375,083**

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY

APPENDIX B

ANALYSIS OF PROPERTY ,PLANT AND EQUIPMENT AT 30 JUNE 2013

	Cost							Accumulated Depreciation							
	Opening Balance	Adjustments	Impairment	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Adjustments	Additions (Depreciation)	Disposals current yr	Disposals Acc. Deprrecaition	Impairment	Closing Balance	Carrying Value
Total Infrastructure Assets	**5,687,045,710**	**92,919**	**-6,793,698**	**60,314,738**	**170,647,431**	**-120,729**	**5,911,186,371**	**678,161,401**	**-238,321**	**136,690,159**	**-133,553**	**-643,110**	**2,918,809**	**816,755,386**	**5,094,430,985**
COMMUNITY ASSETS															
Community Buildings									0	0	0	0	0	**0**	**0**
Fire Stations	23,421,717	0	0	0	0	0	**23,421,717**	6,504,328	0	1,303,926	0	0	0	**7,808,255**	**15,613,462**
Stadiums	48,906,305	-3,961,963	0	0	0	0	**44,944,342**	16,184,023	-695,841	3,105,497	0	0	0	**18,593,679**	**26,350,663**
Public Conveniences	58,094,804	1,460,103	0	363,305	1,287,942	0	**61,206,154**	18,469,481	0	3,691,903	0	0	0	**22,161,385**	**39,044,770**
Clininc s	24,595,441	942,899	0	0	0	0	**25,538,340**	9,238,604	0	1,868,343	0	0	0	**11,106,947**	**14,431,393**
Libraries	82,414,643	0	0	0	0	0	**82,414,643**	26,753,156	0	5,442,971	0	0	0	**32,196,127**	**50,218,516**
Community Centres	148,989,065	-94,743,269	0	0	3,169,604		**57,415,401**	49,886,880	-34,923,212	3,174,163	0	0	0	**18,137,832**	**39,277,569**
Museums and Art Galleries	16,149,438	-15,652,215	0	0	0	0	**497,223**	5,641,299	-5,614,565	9,938	0	0	0	**36,672**	**460,551**
Cemetries	1,475,197	0	0	19,564	0	0	**1,494,761**	182,231	0	36,399	0	0	0	**218,630**	**1,276,131**
Parks	5,976,333	-2,465,908	0	0	0	0	**3,510,425**	2,219,830	-861,153	272,501	0	0	0	**1,631,178**	**1,879,247**
Civic Theatres	41,243,466	0	0	0	0	0	**41,243,466**	15,344,414	0	3,066,951	0	0	0	**18,411,365**	**22,832,101**
	451,266,409	**-114,420,353**	**0**	**382,869**	**4,457,546**	**0**	**341,686,472**	**150,424,246**	**-42,094,770**	**21,972,593**	**0**	**0**	**0**	**130,302,069**	**211,384,403**
Community Recreational Facilities															
Swimming Pools	13,343,672	-1,785,373	0	0	0	0	**11,558,299**	5,203,476	-696,352	902,948	0	0	0	**5,410,072**	**6,148,226**
Sports Facilities	7,698,717	3,088,711	0	1,377,671	4,093,523	0	**16,258,622**	2,469,434	104,958	534,291	0	0	0	**3,108,682**	**13,149,940**
Squash Courts	4,604,299	0	0	0	0	0	**4,604,299**	1,748,001	0	349,143	0	0	0	**2,097,144**	**2,507,155**
Cemetries	8,252,164	0	0	0	10,274,525	0	**18,526,688**	894,265	0	206,198	0	0	0	**1,100,463**	**17,426,225**
Parks	9,533,291	0	0	0	0	0	**9,533,291**	1,152,554	0	231,170	0	0	0	**1,383,724**	**8,149,567**
Sports Grounds	167,882,835	0	0	0	0	0	**167,882,835**	31,719,727	0	6,339,978	0	0	0	**38,059,705**	**129,823,130**
	211,314,977	**1,303,337**	**0**	**1,377,671**	**14,368,048**	**0**	**228,364,034**	**43,187,456**	**-591,395**	**8,563,728**	**0**	**0**	**0**	**51,159,790**	**177,204,244**
Total Community Assets	**662,581,386**	**-113,117,016**	**0**	**1,760,541**	**18,825,594**	**0**	**570,050,506**	**193,611,703**	**-42,686,165**	**30,536,321**	**0**	**0**	**0**	**181,461,859**	**388,588,647**
OTHER ASSETS															
Other Properties															
Housing Schemes	75,261,033	19,903,923	0	380,000		-5,997,874	**89,547,082**	25,426,990	-648,059	5,036,031	-444,450	-2,169,385	0	**27,201,128**	**62,345,954**
Markets	226,464,822	0	0	0	2,798,255	0	**229,263,078**	76,422,468	0	15,273,239	0	0	0	**91,695,708**	**137,567,370**
Sewerage works and Dump Site	796,654	0	0	0	0	0	**796,654**	327,676	0	65,449	0	0	0	**393,125**	**403,528**
Worshops and Depots	31,594,554	0	0	0	0	0	**31,594,554**	11,613,210	0	2,318,118	0	0	0	**13,931,328**	**17,663,226**
Hostels	387,235	1,550,479	0	0	0	0	**1,937,714**	142,365	648,059	157,879	0	0	0	**948,302**	**989,412**
Training Centre	3,331,557	0	0	0	0	0	**3,331,557**	1,271,165	0	255,667	0	0	0	**1,526,832**	**1,804,725**
Landfill Site	11,653,971	0	0	2,052,122	0	0	**13,706,093**	729,024	0	181,951	0	0	0	**910,975**	**12,795,119**
Old Age Homes	924,086	0	0	0	0	0	**924,086**	390,559	0	78,008	0	0	0	**468,567**	**455,519**
Transport Facility	30,478,311	0	0	197,250	0	0	**30,675,561**	6,089,633	0	1,289,819	0	0	0	**7,379,452**	**23,296,109**
Crematoriums	7,316,014	-6,245,803	0	5,324,283	0	0	**6,394,494**	2,257,854	-2,196,143	21,681	0	0	0	**83,391**	**6,311,103**
Nurseries	9,811,035	0	0	0	0	0	**9,811,035**	3,712,048	0	741,596	0	0	0	**4,453,644**	**5,357,391**
Airport Buildings	18,956,611	0	0	69,180	0	0	**19,025,790**	5,805,807	0	1,218,524	0	0	0	**7,024,331**	**12,001,459**
Creches	3,671,036	12,046,619	0	0	0	0	**15,717,655**	1,450,075	0	309,425	0	0	0	**1,759,500**	**13,958,154**
Substations	0							0	0	0	0	0	0	**0**	**0**
	420,646,919	**27,255,218**	**0**	**8,022,835**	**2,798,255**	**-5,997,874**	**452,725,353**	**135,638,874**	**-2,196,143**	**26,947,387**	**-444,450**	**-2,169,385**		**157,776,283**	**294,949,070**
Total Other Assets	**420,646,919**	**27,255,218**	**0**	**8,022,835**	**2,798,255**	**-5,997,874**	**452,725,353**	**135,638,874**	**-2,196,143**	**26,947,387**	**-444,450**	**-2,169,385**	**0**	**157,776,283**	**294,949,070**
Plant and Equipment															
Graders	8,307,273	0	0	0	0	-2,616,596	**5,690,677**	5,251,533	0	760,320	-196,291	-1,926,544	0	**3,889,018**	**1,801,659**
Tractors	8,997,350	0	0	0	0	-225,410	**8,771,940**	6,872,532	0	854,225	-16,910	-192,911	0	**7,516,936**	**1,255,005**
Farm Equipment	83,448	0	0	0	0	0	**83,448**	81,177	0	636	0	0	0	**81,813**	**1,635**
Lawnmowers	2,605,752	0	0	528,274	0	-37,595	**3,096,432**	2,256,799	-226,260	405,863	-3,728	-28,783	0	**2,403,892**	**692,540**
Compressors	138,950	0	0	0	0	0	**138,950**	115,115	-12,947	14,115	0	0	0	**116,283**	**22,667**
Laboratory Equipment	1,546,040	0	0	0	0		**1,546,040**	1,261,478	-202,642	158,224	0	0	0	**1,217,059**	**328,981**
Radio Equipment	1,671,102	0	0	179,801	0	-13,985	**1,836,917**	1,184,942	-135,575	185,990	-972	-9,297	0	**1,225,088**	**611,829**
Firearms	31,800	0	0	0	0	0	**31,800**	12,746	0	6,356	0	0	0	**19,102**	**12,698**
Telecommunication	5,790,393	0	0	24,355	0	-45,114	**5,769,634**	5,154,814	-513,720	370,885	0	-36,091	0	**4,975,888**	**793,746**
Plant and Equipment	23,307,668	-271	0	6,982,667	0	-572,592	**29,717,472**	14,284,129	-1,430,209	3,468,732	-62,977	-500,211	0	**15,759,464**	**13,958,008**
Cremators	1,767,178	0	0	0	0	0	**1,767,178**	734,267	0	117,737	0	0	0	**852,004**	**915,173**
	54,246,954	**-271**	**0**	**7,715,097**	**0**	**-3,511,292**	**58,450,488**	**37,209,532**	**-2,521,353**	**6,343,083**	**-280,877**	**-2,693,837**	**0**	**38,056,547**	**20,393,941**
Office Equipment															
Computer Hardware	35,275,625	-6,316	0	1,452,261	6,876	-3,967,189	**32,761,257**	27,217,568	-3,290,554	3,800,827	-45,502	-3,004,620	0	**24,677,719**	**8,083,538**
Office Machines	4,712,870	271	0	89,268	0	-186,952	**4,615,457**	3,750,640	-29,456	703,233	-1,701	-137,094	0	**4,285,621**	**329,835**
Airconditioners	11,644,339	0	0	62,759	0	-138,951	**11,568,148**	9,107,752	-1,256,570	1,300,843	-2,291	-107,590	0	**9,042,143**	**2,526,005**
	51,632,834	**-6,045**	**0**	**1,604,288**	**6,876**	**-4,293,092**	**48,944,861**	**40,075,961**	**-4,576,580**	**5,804,902**	**-49,495**	**-3,249,304**	**0**	**38,005,483**	**10,939,378**
Furniture and Fittings															
Chairs	9,936,217	6,316	0	124,711	0	-613,219	**9,454,025**	7,098,181	4,737	1,259,956	-7,637	-436,256	0	**7,918,981**	**1,535,044**
Tables and Desks	8,555,151	0	0	131,114	0	-658,954	**8,027,311**	5,724,915		1,075,086	-8,087	-438,487	0	**6,353,427**	**1,673,885**
Cabinets ands Cupboards	10,374,302	-40,000	0	42,272	0	-699,304	**9,677,270**	6,568,128	-22,873	1,335,359	-8,619	-460,523	0	**7,411,472**	**2,265,798**

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY

APPENDIX B

ANALYSIS OF PROPERTY ,PLANT AND EQUIPMENT AT 30 JUNE 2013

	Cost							Accumulated Depreciation							
	Opening Balance	Adjustments	Impairment	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Adjustments	Additions (Depreciation)	Disposals current yr	Disposals Acc. Deprrecaition	Impairment	Closing Balance	Carrying Value
Furniture and Fittings Other	5,671,119	0	0	37,729	0	-506,269	**5,202,578**	4,111,509		536,516	-6,294	-339,520	0	**4,302,211**	**900,368**
	34,536,789	**-33,684**	**0**	**335,826**	**0**	**-2,477,746**	**32,361,185**	**23,502,733**	**-18,136**	**4,206,918**	**-30,638**	**-1,674,786**	**0**	**25,986,090**	**6,375,094**
Containers															
Household Refuse Bins	116,023	0	0	0	0	0	**116,023**	101,328	-22,623	12,491	0	0	0	**91,195**	**24,828**
Bulk Containers	1,258,635	0	0	0	0	0	**1,258,635**	718,992		125,778	0	0	0	**844,770**	**413,865**
	1,374,658	**0**	**0**	**0**	**0**	**0**	**1,374,658**	**820,320**	**-22,623**	**138,269**	0	0	0	**935,965**	**438,693**
Fire and Medical Equipment															
Fire Equipment	8,989,755	0	0	0	0	-41,685	**8,948,070**	4,733,030	0	596,396	-244	-25,022	0	**5,304,160**	**3,643,910**
Medical Equipment Clinics	1,382,101	0	0	14,517	0	-237,765	**1,158,854**	1,111,705	-157,099	137,434	-6,870	-195,547	0	**889,623**	**269,231**
	10,371,856	**0**	**0**	**14,517**	**0**	**-279,450**	**10,106,924**	**5,844,735**	**-157,099**	**733,830**	-7,114	-220,569	0	**6,193,783**	**3,913,141**
Motor Vehicles															
Fire Engines	29,430,074	0	0	0	0	-1,383,733	**28,046,341**	5,429,571	0	1,453,264	-51,904	-689,214	0	**6,141,718**	**21,904,623**
Buses	55,750	0	0	0	0	0	**55,750**	38,704	0	3,715			0	**42,419**	**13,331**
Motor Vehicles	18,325,557	0	0	1,003,065	0	-1,048,580	**18,280,041**	14,598,335	-1,690,597	2,053,103	-84,307	-844,442	0	**14,032,092**	**4,247,949**
Motor Cycles	1,010,440	0	0	0	0	-49,972	**960,468**	918,030	-12,643	93,317	-817	-49,156	0	**948,731**	**11,737**
Trucks and Bakkies	114,054,017	0	-399,778	370,121	0	-8,368,531	**105,655,829**	73,535,401	-8,025,128	14,140,485	-1,017,016	-7,131,489	0	**71,502,253**	**34,153,576**
Trailers	1,814,077	0	0	0	0	-44,570	**1,769,507**	1,389,237	-113,974	193,876	-4,050	-38,831	0	**1,426,258**	**343,248**
	164,689,915	**0**	**-399,778**	**1,373,185**	**0**	**-10,895,386**	**154,767,936**	**95,909,278**	**-9,842,342**	**17,937,760**	**-1,158,094**	**-8,753,131**	**0**	**94,093,471**	**60,674,464**
General															
Water Craft	131,177	0	0	0	0	-131,177	**0**	78,724	0	1,508	-1,508	-78,724	0	**0**	**0**
Artwork	2,085,853	-2,085,853													
	2,217,031	**-2,085,853**	**0**	**0**	**0**	**-131,177**	**0**	**78,724**	**0**	**1,508**	**-1,508**	**-78,724**	**0**	**0**	**0**
Total Movable Assets	**319,070,037**	**-2,125,853**	**-399,778**	**11,042,914**	**6,876**	**-21,588,143**	**306,006,052**	**203,441,283**	**-17,138,134**	**35,166,270**	**-1,527,725**	**-16,670,352**	**0**	**203,271,341**	**102,734,711**
Heritage Assets															
artworks	0	263,100	0	140,191,240	0	0	**140,454,340**	0	0	0	0	0	0	**0**	**140,454,340**
Stadiums	0	3,961,963	0	0	0	0	**3,961,963**	0	0	0	0	0	0	**0**	**3,961,963**
Swimming Pool	0	1,785,373	0	0	0	0	**1,785,373**	0	0	0	0	0	0	**0**	**1,785,373**
Museums and Art Gallery	0	16,055,648	0	0	0	0	**16,055,648**	0	0	0	0	0	0	**0**	**16,055,648**
Parks	0	2,465,908	0	0	0	0	**2,465,908**	0	0	0	0	0	0	**0**	**2,465,908**
Crematorium	0	6,245,803	0	0	0	0	**6,245,803**	0	0	0	0	0	0	**0**	**6,245,803**
Land (heritage)	0	6,000,000	0	0	0	0	**6,000,000**	0	0	0	0	0	0	**0**	**6,000,000**
											0	0	0	**0**	**0**
Total Heritage assets	**0**	**36,777,794**	**0**	**140,191,240**	**0**	**0**	**176,969,034**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**176,969,034**
Intangible Assets															
Computer Software	8,359,804	0	0	0	0	0	**8,359,804**	7,571,775	-10,461	520,764	0	0	0	**8,082,078**	**277,725**
Intangible Assets/software	12,916,539	0	0	56,793	0	0	**12,973,332**	11,049,852	-36,780	1,142,838	0	0	0	**12,155,910**	**817,422**
Total Intangible Assets	**21,276,343**	**0**	**0**	**56,793**	**0**	**0**	**21,333,136**	**18,621,627**	**-47,241**	**1,663,602**	**0**	**0**	**0**	**20,237,988**	**1,095,148**
Servitudes	803,846	0	0	0	0	0	**803,846**	## 0	0	0	0	0	0	**0**	**803,846**
	803,846	**0**	**0**	**0**	**0**	**0**	**803,846**	**0**	0	**0**	**0**	**0**	**0**	**0**	**803,846**
Biological assets															
Agricultural /Bilogical Assets	648,261	0	0	0	0	0	**648,261**	0	0	0	0	0	0	**0**	**648,261**
	648,261	**0**	**0**	**0**	**0**	**0**	**648,261**	**0**	0	0	**0**	**0**		**0**	**648,261**
Grand Total Assets	**8,068,198,610**	**-4,876,372**	**-9,145,166**	**222,656,648**	**204,097,882**	**-39,469,722**	**8,441,461,879**	**1,322,084,304**	**-27,490,497**	**256,594,881**	**-2,105,728**	**-19,482,846**	**2,918,809**	**1,532,518,922**	**6,908,942,957**

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX C

ANALYSIS OF PROPERTY,PLANT AND EQUIPMENT AS AT 30 JUNE 2013

Fixed Assets	Historical Cost							Accumulated Depreciation							
Description	Opening Balance	Adjustments	Impairment	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Adjustment	Additions	Depr. Disposals	Depr. Disposals prev.yr	Impairment	Closing Balance	Carrying Value
Executive and Council	6,416,726						6,416,726	4,914,225		639,926				5,554,152	862,575
Finance and Administration	910,611,123	46,200,565	-2,351,468	12,456,795	11,826,601	-33,351,119	945,392,497	238,997,981	17,630,132	61,781,087	-1,527,725	-16,670,352		300,211,123	645,181,374
Planning and Development	82,657,053						82,657,053	37,603,787		331,625				37,935,412	44,721,642
Health	40,798,990						40,798,990	11,291,499		2,334,669				13,626,167	27,172,822
Community and Social Services	145,957,546	-113,117,016		1,760,541	18,825,594		53,426,666	44,151,774	-42,686,165	15,154,501				16,620,110	36,806,556
Housing	202,520,506						202,520,506	29,192,506		264,091				29,456,597	173,063,909
Public Safety	99,725,720						99,725,720	41,769,502		6,109,657				47,879,159	51,846,561
Sport and Recreation	376,347,418						376,347,418	104,177,765		15,381,820				119,559,585	256,787,833
Road Transport	2,676,506,470			23,712,351	67,688,463		2,767,907,284	413,815,518	-115	82,485,116			696,172	496,996,692	2,270,910,593
Environmental Protection	6,534,926						6,534,926	4,982,959		476,681				5,459,640	1,075,286
Water	991,206,831	-13,121		793,295	34,133,647		1,026,120,653	78,908,736		13,629,793			1,608,218	94,146,746	931,973,907
Waste Water Management	684,608,554			858,223	15,940,183		701,406,961	75,622,599		11,701,214			614,418	87,938,231	613,468,730
Electricity	1,388,500,220	40,291	-6,793,698	34,861,369	52,885,138	-120,729	1,469,372,590	142,521,260	0	26,488,551	-133,553	-643,110		168,233,148	1,301,139,442
Other	455,806,526	62,012,908		148,214,075	2,798,255	-5,997,874	662,833,890	94,134,193	-2,434,349	19,816,151	-444,450	-2,169,385		108,902,160	553,931,729
TOTALS	**8,068,198,611**	**-4,876,372**	**-9,145,166**	**222,656,648**	**204,097,881**	**-39,469,722**	**8,441,461,879**	**1,322,084,304**	**-27,490,497**	**256,594,881**	**-2,105,728**	**-19,482,846**	**2,918,809**	**1,532,518,922**	**6,908,942,957**

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPAL ENTITY

APPENDIX D

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY , PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2013

Description	2013 Budget R	2013 Actual R	2013 Under construction R	2013 Additions R	2013 Variance R	2013 Variance %	Explanation of Significant Variances greater than 5% versus Budget
Executive and Council	504,092.00	369,169.92	0.00	106,481.77	134,922.08	27%	
Finance and Administration	7,400,088.00	7,348,943.89	3,176,480.31	4,559,657.85	51,144.11	1%	
Planning and Development	17,466,526.00	12,602,738.58	11,819,724.58	1,032,512.03	4,863,787.42	28%	
Public Safety	1,318,688.00	1,306,585.33	0.00	1,270,371.73	12,102.67	1%	
Community and Social Services	18,363,775.00	16,224,967.03	10,274,524.54	146,125,212.46	2,138,807.97	12%	
Health	0.00	0.00	0.00	0.00	0.00	0%	
Sport and Recreation	6,029,365.00	5,474,694.75	4,093,523.48	1,416,743.21	554,670.25	9%	
Road Transport	91,659,305.00	91,580,261.23	68,976,405.27	23,034,630.96	79,043.77	0%	
Water	36,747,153.00	35,317,100.18	34,133,647.37	1,196,573.59	1,430,052.82	4%	
Waste Water Management	19,990,519.00	18,943,921.41	15,940,183.01	3,528,068.96	1,046,597.59	5%	
Electricity	95,237,023.00	89,469,796.81	52,885,137.53	36,599,824.31	5,767,226.19	6%	
Housing	0.00	0.00	0.00	480,000.14	0.00	0%	
Other	23,593,345.00	6,104,826.62	2,798,255.47	3,306,571.15	17,488,518.38	74%	
Environment Protection	0.00	0.00	0.00	0.00	0.00	0%	
TOTALS	**318,309,879.00**	**284,743,005.75**	**204,097,881.56**	**222,656,648.16**	**33,566,873.25**	11%	

THE MSUNDUZI MUNICIPALITY

APPENDIX E

DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2013

Account Description	Unspent balance @ 01 July 2012	Transfers	Adjustments	Inter project/vote transfer	Funds paid back to National Treasury/Transfers /Refunds	Current year receipts	Unspent balance @ 30 June 2013	Source Code
GRANT COMMUNITY DEVELOPMENT WORKERS	-7,818	7,096				0	-722	UNSPENT CG - NATIONAL GOVERNMENT
NATIONAL GRANT - MSIG	-485,099	857,035			427,800	-800,000	-263	UNSPENT CG - NATIONAL GOVERNMENT
FINANCE MANAGEMENT GRANT	-496,692	1,996,692				-1,500,000	0	UNSPENT CG - NATIONAL GOVERNMENT
UNSPENT CONDITIONAL GRANT - MIG	-5,566,961	155,228,334	37,547		3,116,000	-153,399,000	-584,079	UNSPENT CG - NATIONAL GOVERNMENT
TRANSPORTATION GRANT - N.T.	0	86,570,767		-71,837,857	2,549,000	-45,000,000	-27,718,090	UNSPENT CG - NATIONAL GOVERNMENT
EDN S - UPGRADE WATER SUPPLY	-240,263	0				-56,737	-297,000	UNSPENT CG - NATIONAL GOVERNMENT
NT FUNDS NPDG	-6,650,000	501,050				0	-6,148,950	UNSPENT CG - NATIONAL GOVERNMENT
UNSPENT COND.GRANT - HRD/LGSETA	0	300,000				-300,000	0	UNSPENT CG - NATIONAL GOVERNMENT
UNSPENT CONDITIONAL GRANT - PHB	-36,359,010	0				-597,795	-36,956,805	UNSPENT CG - NATIONAL GOVERNMENT
ELECT.DEMAND SIDE MGT GRANT / INEP- NT	0	10,000,000				-10,000,000	0	UNSPENT CG - NATIONAL GOVERNMENT
	-49,805,842	**255,460,974**	**37,547**	**-71,837,857**	**6,092,800**	**-211,653,532**	**-71,705,910**	
COGTA - URBAN RENEWAL	0	6,500,000				-6,500,000	0	UNSPENT CG - PROVINCIAL GOVERNMENT
PG:COMMUNITY COMMUNICATION INITIATIVE	-50,000	40,079				0	-9,921	UNSPENT CG - PROVINCIAL GOVERNMENT
UNSPENT CONDITIONAL GRANT - PROVINCE	-665,703	3,293,938				-7,232,926	-4,604,691	UNSPENT CG - PROVINCIAL GOVERNMENT
TRANSPORTATION GRANT - PROVINCE	-73,601,569	129,233		71,404,647		0	-2,067,688	UNSPENT CG - PROVINCIAL GOVERNMENT
COGTA - NEW ENGLAND ROAD	0	4,566,790		433,210		-5,000,000	0	UNSPENT CG - PROVINCIAL GOVERNMENT
COGTA - EPW PROJECT	-35,875	1,535,611				-1,501,000	-1,263	UNSPENT CG - PROVINCIAL GOVERNMENT
PROV - URBAN RENEWAL PROJECT	-2,326,724	0				-107,530	-2,434,255	UNSPENT CG - PROVINCIAL GOVERNMENT
FOOD AID PROGRAMME	-7,468		7,468			0	0	UNSPENT CG - PROVINCIAL GOVERNMENT
ALEXANDRA PARK ATHLETIC TRACK	-535,291	1,377,671				-1,605,184	-762,803	UNSPENT CG - PROVINCIAL GOVERNMENT
PROV GRANT AIRPORT	0	467,320				-467,320	0	UNSPENT CG - PROVINCIAL GOVERNMENT
COGTA ASHBURTON FEASIBILITY STUDY	-500,000	519,196				-19,196	0	UNSPENT CG - PROVINCIAL GOVERNMENT
I.D.P. FUND FROM DEPT. OF LG&H	-398,071	398,071				0	0	UNSPENT CG - PROVINCIAL GOVERNMENT
LAND USE MGT (CONSULTANTS-DEPT LOCAL GVT)	-145,962	145,962				0	0	UNSPENT CG - PROVINCIAL GOVERNMENT
PG - INTERGRATION WITH REDS	-21,295		1,718		19,576	0	0	UNSPENT CG - PROVINCIAL GOVERNMENT
ELECTRICITY GRANTS - COGTA	0	10,000,000				-10,049,137	-49,137	UNSPENT CG - PROVINCIAL GOVERNMENT
MARKET GRANTS - COGTA	0	6,319,982				-7,657,679	-1,337,698	UNSPENT CG - PROVINCIAL GOVERNMENT
DWA NON REVENUE WATER	0	155,120				-1,500,000	-1,344,880	UNSPENT CG - PROVINCIAL GOVERNMENT
COGTA - CORRIDOR DEV.WATER TESTING	-300,000	0		300,000		0	0	UNSPENT CG - PROVINCIAL GOVERNMENT
COGTA - MASSIFICATION : WCWDM	0	840,436				-2,000,000	-1,159,564	UNSPENT CG - PROVINCIAL GOVERNMENT
GRANT - WATER SERVICE DELIVERY PLANNING	-82,984	0				0	-82,984	UNSPENT CG - PROVINCIAL GOVERNMENT
	-78,670,941	**36,289,408**	**9,187**	**72,137,857**	**19,576**	**-43,639,972**	**-13,854,884**	

THE MSUNDUZI MUNICIPALITY

APPENDIX E

DETAILS OF UNSPENT CONDITIONAL GRANTS, RECEIPTS AND TRANSFERS TO INCOME AS AT 30 JUNE 2013

Account Description	Unspent balance @ 01 July 2012	Transfers	Adjustments	Inter project/vote transfer	Funds paid back to National Treasury/Transfers/ Refunds	Current year receipts	Unspent balance @ 30 June 2013	Source Code
UNSPENT CONDITIONAL GRANTS : LIBRARY EXTERNAL	-1,279,480	210,633				-19,690	-1,088,537	UNSPENT CG - OTHER
GEDI - GIJIMA FUNDS	-19,952	109,120			20,200	-109,368	0	UNSPENT CG - OTHER
E/DALE LAND LEGAL	-119,549	0				-5,525	-125,074	UNSPENT CG - OTHER
E/DALE PVT LAND LEGAL	-6,069,370	4,294,095				-192,985	-1,968,260	UNSPENT CG - OTHER
GRANT DEPT OF ARTS & CULTURE	0	23,454				-331,977	-308,523	UNSPENT CG - OTHER
GRANT - YOUTH ADVISORY COUNCIL	-125,000	0				0	-125,000	UNSPENT CG - OTHER
UDM - LOCAL TOURISM DEVELOPMENT	-6,917,268	10,534,526				-3,617,258	0	UNSPENT CG - OTHER
GRANT - WARD 3 5 6	-40,123	0				0	-40,123	UNSPENT CG - OTHER
GRANT - SPOORNET	-347,918	0				-16,078	-363,995	UNSPENT CG - OTHER
TRUST - CEMETERY TRUST ACCOUNT	-16,199	0			16,199	0	0	UNSPENT CG - OTHER
TRUST - PATRIOTIC LEAGUE TRUST ACCOUNT	-49,354	0			49,354	0	0	UNSPENT CG - OTHER
TRUST - PEARSE TRUST ACCOUNT	-1,572,770	0			1,572,770	0	0	UNSPENT CG - OTHER
TRUST - WELCH TRUST ACCOUNT	-389,621	0			389,621	0	0	UNSPENT CG - OTHER
TRUST - MARIA KINSMAN TRUST ACCOUNT	-591,488	0			591,488	0	0	UNSPENT CG - OTHER
TRUST - MARIA KINSMAN TRUST - NET INCOME	-86,734	0			86,734	0	0	UNSPENT CG - OTHER
TRUST - MAYORESS NECESSITY FUND	-83,920	69,348			14,572	0	0	UNSPENT CG - OTHER
TRUST - CEMETERY TRUST ACCOUNT (M/RISE)	-2,465,179	364,780			2,131,197	-30,798	-0	UNSPENT CG - OTHER
TRUST - CEMETERY TRUST ACCOUNT (M/RISE) - INTEREST	-557,915	0			557,915	0	0	UNSPENT CG - OTHER
TRUST - FLEMING TRUST ACCOUNT	-79,246	0			79,246	0	0	UNSPENT CG - OTHER
TRUST - CONT IMBALI FLOOD VICTIMS - PMB FLOOD VICTIMS	-63,783	0			63,783	0	0	UNSPENT CG - OTHER
TRUST - PMB FLOOD DISASTER	-32,479	0			32,479	0	0	UNSPENT CG - OTHER
TRUST - REFUGEES TRUST ACCOUNT	-63,517	0			63,517	0	0	UNSPENT CG - OTHER
	-20,970,864	**15,605,957**	**0**	**0**	**5,669,075**	**-4,323,679**	**-4,019,512**	
	-149,447,647	**307,356,339**	**46,734**	**300,000**	**11,781,451**	**-259,617,183**	**-89,580,306**	

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2013

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
1	3 DM contractors v Msunduzi Municipality	Contractual claim	2011	Internal	R66 930.35 plus interest at 15.5 per cent per annum.	77,305
2	33 St Patricks Road (Chapters)	Interdict::Electricity	2012	Alwyn Volsum & Associates,4 George Street, Pietermritzburg,tel:3948116,fax:0866215902,e-mail: vcl@iafrica.com, Advocate VM Naidoo, 17 Prince Edward Street, Advocates' Chambers,tel: 38453535,fax: 3428941,e-mail:venesen@group8.co.za	To pay own costs and costs of attorney for applicant, namely R45710-37.	45,710
3	A and F Mall v Msunduzi Municipality	Delictual Claim	2007	Internal	R17 181.33 plus interest at 15.5 per cent per annum.	19,844
4	A F Grobbelaar v. Msunduzi Municipality	Application to compel Municipality to remove tree from outside Applicant's property.	2013	Internal	Costs if unsuccessfull.	0
5	A Venter	Parker road application for maintenance by Msunduzi Municipality	2013	Mr D Xaba 2 Princess St Pietermaritzburg 3201 P O Box 2197 Pietermaritzburg 3200 Telephone: 033 – 394 7123 Facsimile: 033 – 394 9445 Cell: 072 039 0353	Costs if unsuccessfull.	0
6	Ahmed W v. Msunduzi Municipality	Delictual Claim	2012	Internal	R 35 700.92 plus interest at 15.5 per cent per annum.	41,235
7	APS Panelbeaters	interdict application to prohibit electricity disconnection.	2011	TMJ Attorneys; Adv Snyman:033 845 3524.	Case to be heard end of August 2012. Costs if unsuccessful.	0
8	Arhen Y v. Msunduzi Municipality	Delictual Claim	2011	Internal	R14 845.71.	17,147
9	Asgar Mahomed: 3 Ross Road	Interdict: electricity	2012	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate LE Combrink 17 Prince edward street, Advocates' chambers,tel: 38453537,fax:3428941,e-mail:larence@group8.co.za	Costs of application	0
10	Asgar Mahomed: Main City Building	Interdict re termination of electrcit	2012	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate Rall, 17 Prince edward street, Advocates' chambers	Matter to be settled at aproximately R22000 plus certain costs of respondent.	25,410
11	B.A. Clark v. Msunduzi Municipality	Delictual Claim	2009	Logan Chetty Attorneys: Tel 033 345 1639 Fax 086 218 5702 Physical Address 13 Prince Edward Street; Pietermaritzburg, 3201 Postal Address PO Box 11706,	R397 975.83 Plus interest at 15.5 per cent per annum.	459,662
12	Balnag L and Balnag F v Msunduzi Municipality	High Court Application	2011	Afzal Akoo and Partners Tel: 033 394 7274 Fax: 033 345 0938. Physical Address 187 Boshoff Street, Pietermaritzburg, 3201. Postal Address PO Box 7836, Cumberwood, 3235.	There in no monetary claim; however Council could be liable for legal costs.	0
13	Barnard S. v. Msunduzi Municipality	Delictual Claim	Feb-13	Internal	R 8369.97 plus interest at 15.5 per cent per annum.	9,667
14	Bayeni GP v Msunduzi Municipality	Delictual Claim	2010	Internal	R 97 430.00 plus interest at 15.5 per cent per annum.	112,532
15	Bhoodram R. v. msunduzi Municipality	Delictual Claim	2010	Internal	R 32 552.00 and R30.03 plus interest at 15.5 per cent per annum.	37,632
16	Billboards	Townbush road order obtained for the removal of billboards.	Dec-09	Adv. H. Ganie: 033 384 5351/7; Mr. Udesh Ramesar: 033 345 59 69	Possibiliy that costs of removal be incurred by the Municipaliy/ not fully recovered. Building Survey to facilitate.	0
17	Bishop's roadworks v. Msunduzi Municipality	Contract	2009	Internal	R 120 000.00 plus interest at 15.5 per cent per annum.	138,600

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2013

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
18	Bishop's roadworks v. Msunduzi Municipality	Delictual Claim	2012	Internal	R19 609.98 plus interest at 15.5 per cent per annum and R12 938.95 plus interest at 15.5 per cent per annum.	22,650
19	Blue Thunder Trading cc t/a Khanyisa energy Management Services v Msunduzi Municipality	Delictual Claim	2009	Logan Chetty Attorneys: Tel 033 345 1639 Fax 086 218 5702 Physical Address 13 Prince Edward Street; Pietermaritzburg, 3201 Postal Address PO Box 11706, Dorpspruit, 3206.	R 223 576 .00 plus interest at 15.5 per cent per annum.	258,230
20	Bukus HM v Msunduzi Municipality	Delictual Claim	May-13	Internal	R 17 270.24 plus interst at 15.5 per cent per annum.	19,947
21	Cassimjee MH v. Msunduzi Municipality	Delictual Claim	2012	Internal	R 4015.00 plus interest at 15.5 per cent per annum.	4,637
22	CGS Auto Electrical	Application to release motor vehicle from contractors lien-affecting service.	2012	Diedricks Inc TeL 033 342 9808 fax 086 219 1672 Physical Address 90 C Roberts Road, Clarendon, Pietermaritzburg. Postal Address PO Box 50, Pietermaritzburg, 3200	Possibility of paying storage costs.	0
23	Chadya: 69 Railway Street	Interdict for reconnection of electricity. Matter not finalised.	Nov-09	Adv. P. Beizuidenhout: 082 443 3836; K. Thythereleigh (withdrew); Agrippa Mpungose: 033 341 9100.	Case not decided. Costs if case is lost.	0
24	Check One Supermarket (PTY) LTD v. Msunduzi Municipality	Delictual Claim	2012	Internal	R139 961.45 plus interest at 15.5 per cent per annum.	161,655
25	Chetty K. v. Msunduzi Municipalty	Delictual Claim	2006	Internal	R26 169.86 Plus interest at 15.5 percent per annum.	30,249
26	Crescent Motor Brokers and Agents CC t/a Crescent Car Sales v. Msunduzi Municipaliy	Delictual Claim	2011	Internal	R100 000.00 Plus interest at 15.5 per cent per annum.	115,500
27	Curry Court Take away	Interdict: Electricity	2011	Alwyn Volsum & Associates,4 George Street, Pietermritzburg,tel:3948116,fax:0866215902,e-mail: vcl@iafrica.com, Advocate VM Naidoo, 17 Prince Edward Street, Advocates' Chambers,tel: 38453535,fax: 3428941,e-mail:venesen@group8.co.za	Costsof application.	0
28	CZ Zwane (Jika Joe Informal Settlements)	Interdict: illlegal occupiers	2012	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dickson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za	Costs of application	0
29	Daljeeth Daljeeth v Msunduzi Municipality	Delictual Claim	2010	Uys Matyeka Schwartz Attorneys: Tel 031 304 6063 Fax 031 304 2379. Physical Adress Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R 200 000.00 plus interest at 15.5 per cent per annum.	231,000
30	De Meyer CJ v. Mssunduzi Municipality	Delictual Claim	2012	Internal	R25 361.49 and R30.03 plus interest at 15.5 per cent per annum	29,327
31	Dladla G v Msunduzi Municipality	Delictual Claim	2006	Internal	R20 000.00 plus interest at 15.5 per cent per annum.	23,100
32	Dladla NB v. Msunduzi Municipality	Delictual Claim	2011	Internal	R109 038.97 plus interest at 15.5 per cent per annum.	125,940
33	Dlamini BM v Msunduzi Municipaliy	Delictual Claim	2010	Uys Matyeka Schwartz Attorneys: Tel 031 304 6063 Fax 031 304 2379. Physical Adress Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R 300 000.00 plus interest at 15.5 per cent per annum.	346,500
34	Dr Karappian	Interdict to enforce health legislati	2013	Still to be appointed	Costs if unsuccessfull.	0
35	Ds Cremators v. Msunduzi Municipality	Contractual claim	2011	Internal	R 27 789.37 plus interest at 15.5 per cent per annum.	32,097
36	Electrical Wiring and Repairs v Msunduzi Municipality	Contractual claim	Oct-12	Internal	R 4350.00 plus interest at 15.5 per cent per annum.	5,024

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2013

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
37	Epilite 123 CC	Review of sale of land	2012	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dieckson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za	Application for leave to appeal to Supreme Court of Appeal. Costs if case lost. Also, if lost, sale of land to be set aside and repayment of purchase proce to purchaser. Economic Development indicates an amount of R8,5 million.	8,500,000
38	F. Osman V Msunduzi Municipality	Delictual Claim	2007	Internal	R306 666.44 plus interest at 15.5 per cent per annum.	354,200
39	FBI Khan and RY Khan v Msunduzi Municipality	Delictual Claim	2009	Internal	R63 280.39 Plus interest at 15.5 per cent per annum and R1267.00 Plus interest at 15.5 per cent per annum	73,089
40	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 2424.50 plus interest at 15.5 per cent per annum.	2,800
41	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 5519.06 plus interest at 15.5 per cent per annum.	6,375
42	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 5586.00 plus interest at 15.5 per cent per annum	6,452
43	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 1721.40 plus interest at 15.5 per cent per annum.	1,988
44	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 4902.00 plus interest at 15.5 per cent per annum.	5,662
45	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 5163.06 plus interest at 15.5 per cent per annum.	5,963
46	Gavin's panel Shop v. Msunduzi Municipality	Contractual claim	2010	Internal	R 5506.20 plus interest at 15.5 per cent per annum.	6,360
47	Gayer Gail v Msunduzi Municipality	Delictual Claim	2010	Uys Matyeka Schwartz Attorneys: Tel 031 304 6063 Fax 031 304 2379. Physical Adress Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R 262 473.98 plus interest at 15.5 per cent per annum.	303,157
48	Goga Y v Msunduzi Municipality	High Court Application: Disconnec	Dec-12	Diedricks Inc TeL 033 342 9808 fax 086 219 1672 Physical Address 90 C Roberts Road, Clarendon, Pietermaritzburg. Postal Address PO Box 50, Pietermaritzburg, 3200 and Adv V Sibeko 033 897 8487 Fax 033 897 8486. Physical/ Postal Address Group 16, 161 Pietermaritz Street, Pietermaritzburg, 3201.	There in no monetary claim; however Council could be liable for legal costs.	0
49	Gonassilan v Msunduzi Municipality	Delictual Claim	2009	Bhamjee Attorneys: Tel 033 394 2007 Fax 033 394 2033 Physical Address 191 Burger Street, Pietermaritzburg, 3201. Postal Adress PO Box 1336, Pietermaritzburg, 3200.	R100 000.00 Plus interest at 15.5 per cent per annum.	115,500
50	Govender K v. Msunduzi Municipality	Delictual Claim	2012	Uys Matyeka Schwartz Attorneys: Tel 031 304 6063 Fax 031 304 2379. Physical Adress Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R 180 000.00 plus interest at 15.5 per cent per annum.	207,900
51	Govender Kem v. Msunduzi Municipality	Delictual Claim	Dec-12	Internal	R 22 242.00 plus interest at 15.5 per cent per annum.	25,690
52	Govender RS v Msunduzi Municipality	Delictual Claim	2008	Internal	R75 000.00 plus interest at 15.5 per cent per annum.	86,625
53	Haffejee RB v Msunduzi Municipality	Delictual Claim	2004	Internal	R98 000.00 plus interest at 15.5 per cent per annum.	113,190

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NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
54	Hampton College v. Msunduzi Muni	Delictual Claim	2007	Afzal Akoo and Partners Tel: 033 394 7274 Fax: 033 345 0938. Physical Address 187 Boshoff Street, Pietermaritzburg, 3201. Postal Address PO Box 7836, Cumberwood, 3235. and Kruger Ngcobo Inc. Tel 031 306 4352 Fax: 031 305 4340 Physical Address 25 Field Street, Suite 1102, Durban Postal Adress PO Box 49467 Qualbert 4078. and ADV Flemming Tel: 033 845 3576 Fax: 033 394 8374. Physical Address Advocates Chambers, Block B3 17 Prince Edward Street, Pietermaritzburg, 3201.	R85 470.00 plus interest at 15.5 per cent per annum.	98,718
55	Hilton Vet Clinic v. Msunduzi Municipality	Delictual Claim	2011	Venn Nemeth and Hart Attorneys- Mr D. Schoup Tel 033 355 3100 Fax 033 394 1947. Physical Adress 281 Pietermaritz Street, Pietermaritzburg,3201.	R 390 270. 21 plus interest at 15.5 per cent per annum.	450,762
56	Ibrahim M. v Msunduzi Municipality	Delictual Claim	Apr-13	Internal	R 7000.00 plus interest at 15.5 per cent per annum.	8,085
57	Impress Services (PTY)LTD v. Msunduzi Municipality	Delictual Claim	2011	Internal	R 29 238.27 and R1638.70.	35,663
58	Indiza Aiport Management		2012	Keshav and Associates Tel 033 394 8844/5 Fax 033 394 2368 Physical Address 367 Jabu Ndlovu Street, Pietermaritzburg, 3201 e-mail: Keshav@sai.co.za and Advocate Buizedenhout SC Tel 033 845 3522 Fax 033 394 3734. Physical Address Advocates Chambers 17 Prince Edward Street, Pietermaritzburg, 3201. e-mail advgroup6@zookit .co.za.	Legal Costs.	0
59	Indo Contractors cc	Termination of contract	2013	To be appointed.	Matter still to be decided. Council's claim approx. R5 million. Contractor willing to settle on municipality paying it approx. R1.2 million.	1,200,000
60	Innocent & Smangele Mchunu, 3 Oban Drive	Application by Mnicipality to enforc	2012	Mr. Mathew Francis: 087 351 0608	Pleadings not yet closed. Costs if unsuccessful.	0
61	Joubert ML v. Msunduzi Municipality	Delictual Claim	2011	Internal	R 100 550.00 plus interest at 15.5 per cent per annum.	116,135
62	Karim S. v. Msunduzi Municipality	Delictual Claim	Sep-12	Internal	R 4211.52 plus interest at 15.5 per cent per annum.	4,864
63	Kheswa v. Msunduzi Municipality	Delictual Claim	2009	Internal	R30 470.12 Plus interest at 15.5 per cent per annum.	35,193
64	Khuselani Security v. Msunduzi Municipality	Delictual Claim	2011	Internal	R1 830 532.00 pls interst at 15.5 per cent per annum.	2,114,264
65	Kroese J. v. Msunduzi Municipality	Delictual Claim	2011	Internal	R 40 000.00 plus interest at 15.5 per cent per annum.	46,200
66	Krsishnan Moodley t/a Derby supermarket	Contractual claim	2011	Internal	R 444 400.00 plus interest at 15.5 per cent per annum.	513,282
67	Kwenzokuhle Construction v. Msunduzi Municipality	Contractual claim	2011	Internal	R 2 178 000.00 plus interest at 15.5 per cent per annum.	2,515,590
68	KZN Epilepsy	Interdict:Electricity KZN Epilepsy	2912	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate Rall, 17 Prince edward street, Advocates' chambers	To pay costs up to 14 June 2102.	0
69	KZN-Digi connect	Claim by contractor for payment for IT services allegedly rendered.	2012	Mr. Alwyn Volsum: 033 394 8116; Adv V. Naidoo: 033 845 3535.	Claim for R500 000.00 plus interest plus legal costs. Not yet decided.	577,500

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NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
70	Longlife tyres (PTY) LTD v Msunduzi Municipaliy	Contract	2010	Diedricks Inc Tel: 033 342 9808 Fax: 086 219 1672 Physical Address: 90 C Roberts Road, Clarendon, Pietermaritzburg. PO Box 50, Pietermaritzburg, 3200 and Adv R Padayachee SC Tel: 033 845 3546 Fax 033 394 5744 Address Advocates Chambers Block A1, 17 Prince Edward Street, Pietermaritzburg, 3201.	R 592 589.77 plus interest at 15.5 per cent per annum.	684,441
71	M. Mouton v. Msunduzi Municipality	Delictual Claim	2008	Bhamjee Attorneys: Tel 033 394 2007 Fax 033 394 2033 Physical Address 191 Burger Street, Pietermaritzburg, 3201. Postal Adress PO Box 1336, Pietermaritzburg, 3200.	R14 000.00 Plus interest at 15.5 Per cent per annum	16,170
72	Mabaso TW v. Msunduzi Municipality	Delictual Claim	2012	Internal	R 850. 43 plus interest at 15.5 per cent per annum.	982
73	Maganbeharie	Interdict: Town Planning	2012	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dieckson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za	Costs awarded to municipality. Being taxed.	0
74	Magicone Inverstments	Interdict: Town Planning	2012	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dickson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za	Costs granted in favour of municipality. Matter now on appeal. Costs if unsuccessful.	0
75	Mahlaba B o.b.o. Mahlaba AY v Msunduzi Municipality	Delictual Claim	2010	Internal/Insurance	R 1000 000.00 plus interest at 15.5 per cent per annum.	115,500
76	Mahlaba J v Msunduzi Municipality	Delictual Claim	2010	Internal	R 21 406. 36 and R2650.00 plus interest at 15.5 per cent per annum.	27,785
77	Majozi HS v Msunduzi Municipality	Delictual Claim	2010	Internal	R 95 000.00 plus interest at 15.5 per cent per annum.	109,725
78	Majozi NV v Msunduzi Municipality	Delictual Claim	2007	Uys Matyeka Schwartz: Tel 031 304 6063 Fax: 031 304 2379. Phyisical Adresss Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R110 046.28 plus interest at 15.5 per cent per annum.	127,103
79	Makhaye S v Msunduzi Municipality	Delictual Claim	2005	Internal	R42 704. 96 plus interest at 15.5 per cent per annum.	49,324
80	Makhaye SB v Msunduzi Municipality	Delictual Claim	Mar-13	Internal	R8688.46 plus interest at 15.5 per cent per annum.	10,035
81	Mamusa Marketing v Msunduzi Municipality	Delictual Claim	2007	Internal	R 9823.48 plus interest at 15.5 per cent per annum.	11,346
82	Mans N. v Msunduzi Municipality	Delictual Claim	2010	Internal	R 7045.75 plus interest at 15.5 per cent per annum.	8,138
83	Mavundla AB v Msunduzi Municipality	Delictual Claim	2010	Internal	R 100 000.00 plus interest at 15.5 per cent per annum.	115,500
84	Mbatha BC v. Msunduzi Municipality	Delictual Claim	2010	Internal	R 16 794.48 plus interest at 15.5 per cent per annum.	19,398
85	Mkhonza B. v Msunduzi Municipality	Delictual Claim	Oct-12	Internal	R 293 000.00 plus interest at 15.5 per cent per annum.	338,415
86	Mkhumbuzi v. Msunduzi Municipallity	Delictual Claim	2008	Internal	R100 000.00 Plus interest at 15.5 per cent per annum.	115,500
87	Mkungisa E v Msunduzi Municipality	Delictual Claim	2007	Internal	R 6213.00 plus interest at 15.5 per cent per annum.	7,176
88	Mlaba M. v Msunduzi Municipality	Delictual Claim	2010	Internal	R 100 000.00 plus interest at 15.5 per cent per annum.	115,500

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NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
89	Moses Mabhida Stadium	Breach of Contract	2013	Mr D Xaba 2 Princess St, Pietermaritzburg 3200 Tel. 033-3947123 Fax 0333949445 & Adv P Bezuidenhout 033-845 3522 fax 033- 3943734	Matter still to be decided	0
90	Mpungose NK v Msunduzi Municipality	Delictual Claim	2011	Internal	R 23 964.42 plus interest at 15.5 per cent per annum.	27,679
91	Mr Mchunu & Another	Interdict:Town Planning	2912	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dieckson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za	Costs of application.	0
92	Mr Mthembu	Illegal Trading	2013	To be appointed	If trader not moving, to be interdicted. Costs if not successful.	0
93	Msunduzi Finishing School .	Interdict: Town Planning	2012	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate Rall, 17 Prince edward street, Advocates' chambers	Costs granted in favour of Municipality	0
94	Mthimkhulu S. v Msunduzi Municipality	Delictual Claim	2009	Uys Matyeka Schwartz Attorneys: Tel 031 304 6063 Fax 031 304 2379. Physical Adress Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R 204 650. 00 plus interest at 15.5 per cent per annum.	236,371
95	Mutual and federal v. Msunduzi Municipality	Delictual Claim	2010	Internal	R22 829.59	26,368
96	Naidoo Kogulan v Msunduzi Municipalitty	Delictual Claim	2010	Internal	R 100 000.00 plus interest at 15.5 per cent per annum.	115,500
97	Naidoo M. v Msunduzi Municipality	Delictual Claim	2011	Internal/Insurance	R 370 000.00 plus interest at 15.5 per cent per annum.	427,350
98	Navin Dayanand	Inderdict to obtain plan approval 2012		Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dickson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za	Appliocant agreed not to seek costs order against Municipality but against other respondent.	0
99	New Horizons Senior Citizens Club v. Msunduzi Municipality	Delictual Claim	2012	Internal	R 8,005.20	9,246
100	Ngcobo DV v Msunduzi Municipality	Delictual Claim	2007	Insurance	R 1 800 000.00 plus interest at 15.5 per cent per annum.	2,079,000
101	Ngcobo NP v Msunduzi Municipality	Delictual Claim	Apr-13	Internal	R 1639.11 plus interest at 15.5 per cent per annum.	1,893
102	Ngcobo RB v Msunduzi Municipality	Delictual Claim	2003	Internal	R 11375.27 plus interest at 15.5 per cent per annum.	13,138
103	Ngidi SS v. Msunduzi Municipality	Delictual Claim	2010	Internal/Insurance	R 2200 000.00	2,541,000
104	Ngubane TT v Msunduzi Municipality	Delictual Claim	2010	Insurance	R118 490.00 plus interest at 15.5 per cent per annum.	136,856
105	Ngubo N. v. Msunduzi Municipaliy	Delictual Claim	2012	Internal	R 9063.12 plus interest at 15.5 per cent per annum.	10,468
106	Nondzanga Z. v. Msunduzi Municipality	Delictual Claim	2011	Internal	R 22 232.97 plus interest at 15.5 per cent per annum.	25,679
107	NP Loelly v Msunduzi	Bylaw Contravention	2013	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za	Costs	0
108	Nt Dlomo/ N Cele	Interdict against Municipality: to set aside building plan approval.	2008	Ngcobo Poyo & Diedricks Inc: 033 341 9240; Adv P.Bezzuidenhout SC.	Case not decided. Costs if case is lost.	0
109	Nxumalo TR v. Msunduzi Municipality	Delictual Claim	2011	Internal	R 21 791.04 plus interest at 15.5 per cent per annum.	25,169

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NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
110	Nzaba IN v Msunduzi Municipality	Delictual Claim	2008	Bhamjee Attorneys: Tel 033 394 2007 Fax 033 394 2033 Physical Address 191 Burger Street, Pietermaritzburg, 3201. Postal Adress PO Box 1336, Pietermaritzburg, 3200.	R73 500.00 Plus interest at 15.5 per cent per annum.	84,893
111	Ogilvie I v Msunduzi Municipality	Delictual Claim	2006	Insurance	R 166 160.54 plus interest at 15.5 per cent per annum.	191,915
112	Ogle COO v Msunduzi Municipality	Delictual Claim	Dec-12	Internal/Insurance	R 300 000.00 plus interest at 15.5 per cent per annum.	346,500
113	Omarjee M. v Msunduzi Municipality	Delictual Claim	2005	Internal	R 31 000.00 plus interest at 15.5 per cent per annum.	35,805
114	Orion Telecom v. Msunduzi Municipality	Delictual Claim	2007	Internal	R 92 189.52 and R23047.38 Plus interest at 15.5 per cent per annum	107,172
115	Painter LV v Msunduzi Municipality	Delictual Claim	2006	Internal	R45 361.38 plus interest at 15.5 per cent per annum.	52,392
116	Percy Loelly	Interdict: electricity	2013	Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax	Costs of application	0
117	Phinduvuke Car Rentals v. Msunduzi Municipality	Delictual Claim	Jun-13	Internal	R 19 729.28	22,787
118	Planet Waves 399	Council withholding payment to contractor that built sludge dams. Possibility of eventual liability.	N/A	N/A	Risk of having to pay outstanding payment partially or in full. Amount withheld is currenlty +- R1,2 million. Costs of repairing estimated at +-R2,4 million. Have not heard from contractor for some time now. Nothing might materialise.	0
119	PMB and District Indian Funeral Society	Re-transfer of Council property.	2008	Ngcobo Poyo & Diedricks Inc: 033 341 9240	Unable to estimate at this point in time.	0
120	Premier of KZN v Msunduzi Municipality	Delictual Claim	2003	Internal	R 11 340.00	11,340
121	Pyrachand Meganbehare, Vinesh Singh; 44 Rosedale Road	Application by Mnicipality to enforce aompliance with Planning and Development Act.	2012	Mr. Mathew Francis: 087 351 0608	Case not finalised. Costs if unsuccessful.	0
122	R. Terty v Msunduzi Municipality	Delictual Claim	2007	Insurance	R50 000.00 plus interest at 15.5 per cent per annum.	57,750
123	Rabikisoon R v Msunduzi Municipality	Delictual Claim	2007	Internal	R20 000.00 plus interest at 15.5 per cent per annum.	23,100
124	Raghu N. v Msunduzi Municipality	Delictual Claim	2010	Internal	R 500 000.00 plus interest at 15.5 per cent per annum.	577,500
125	Ramdeen VD v Msunduzi Municipality	Delictual Claim	2010	Afzal Akoo and Partners Tel: 033 394 7274 Fax: 033 345 0938. Physical Address 187 Boshoff Street, Pietermaritzburg, 3201. Postal Address PO Box 7836, Adv Flemming Tel: 033 845 3576 Fax: 033 394 8374. Physical Adress Advocates Chambers Block B3, 17 Prince Edward Street, Pietermaritzburg, 3201.	R100 000.00 and R4438.00 Plus interest at 15.5 per cent per annum.	120,510
126	Ramharak RJ v Msunduzi Municipality	Delictual Claim	Nov-12	Internal	R 300 000.00 plus interest at 15.5 per cent per annum.	346,500
127	Reddy Ronald v Msunduzi Municipaliy	Contratual Claim	2010	Internal	R282 818.08 plus interest at 15.5 per cent per annum.	326,655
128	Relief interior and Joinery v. Msunduzi Municipality	Delictual Claim	2011	Internal	R 45 080.00 plus interest at 15.5 per cent per annum.	52,067
129	Resslar Investment	interdict for reconnection of electricity. Matter not finalised.	Feb-12	Adv. Snyman: 033 384 3524; K Tytherleigh (withdrew); Agrippa Mpungose: 033 341 9100	Case not decided. Costs if case is lost.	0
130	Roelefse v Msunduzi Municipality	Delictual Claim	2002	Internal	R41 032.58 plus interest at 15.5 per cent per annum.	47,393

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131	Roy Hesketh Racing Track	Land sold to developer. Did not develop as per agreement. possibility of Municipality having to purchase back at R3.5 Million. Another developer indicated possible purchaser from current developer with benefits to the Municipality. Economis Development to advise of any developments.	N?A	N/A	Economic development to advise on progress. Apparently another developer indicated possible purchase from current developer with benefits to the Municipality.	0
132	S v Sithole	Culpable Homicide	2013	Mr C Johnson Mason Inc 3rd Floor Fedsure House 251; Pietermaritzburg 3201;tel 033-3454230; fax 0866168560.	Costs	0
133	SAPPI v. Msunduzi Municipality	Delictual Claim	2009	External Insurance	R25000 000.00 Plus interest at 15.5 Per cent per annum	28,875
134	Sayed J t/a Metro Taxis and yellow cabs v. Msunduzi Municipality	Delictual Claim	2012	Internal	R 15 950 .52 plus interest at 15.5 per cent per annum.	18,423
135	Selepe H v Msunduzi Muncipality	Delictual Claim	2010	Internal	R 5 189.35 plus interest at 15.5 per cent per annum.	5,994
136	Shenston farm Ambleton	Interdict: Illegal Occupiers	2013	Alwyn Volsum & Associates,4 George Street, Pietermritzburg,tel:3948116,fax:0866215902,e-mail: vcl@iafrica.com, Advocate VM Naidoo, 17 Prince Edward Street, Advocates' Chambers,tel: 38453535,fax: 3428941,e-mail:venesen@group8.co.za	Court refused to grant final order for eviction. Costs of application.	0
137	Shepstone House Two LTD	Application to prohibit disconnection and counter application to prohibit illegal occupation and electricity connection.	2012	Mr. Diedricks: Diedricks Inc. 083 375 4036; Adv. A Rall SC 033 845 35 29.	Case not finalised. Costs if unsuccessful.	0
138	Shortts Retreat:	Interdict by land owners against illegal occupiers, Municipaliy ordered to provide temporary housing & basic services. Municipality made application to vary the relocation order- now seeking expropriation of properties so as to house occupants in situ. Counter application for contempt of court made against municipality. to be heard on 13 August 2012.	joined as party	Mr. Julian Von Klemperer and Adv Dickson SC	1. Costs of applications unknown at this time. 2. Do not know whether application for variation, alternatively contempt will be granted.	0
139	Singh MS v Msunduzi Municipality	Delictual Claim	2010	Internal	R 69 224.62 plus interest at 15.5 per cent per annum.	79,954
140	Smith JC v Msunduzi Municipality	Delictual Claim	Dec-12	Internal	R 17 847.94 plus interest at 15.5 per cent per annum.	20,614
141	South African Local Authorities Pension Fund v. Msunduzi Municipality	Pension Surcharge	2008	Logan Chetty Attorneys: Tel 033 345 1639 Fax 086 218 5702 Physical Address 13 Prince Edward Street; Pietermaritzburg, 3201 Postal Address PO Box 11706, Dorpspruit, 3206. & Adv V. Moodley: Tel 033 845 3591fax 033 342 82 75.	R 217 184.13 Plus interest at 15.5 per cent per annum.	250,848

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NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
142	Subrimoney v Msunduzi Municipality	High Court Application: Disconnec	2012	Mastross attorneys: Mr Ori Tel 033 394 5828 Fax: 033 394 5792 Physical Address 393 Jabu Ndlovu Street Postal Address PO Box 3139, Pietermaritzburg, 3200.	There in no monetary claim; however Council could be liable for legal costs.	0
143	Suheena Investment	Interdict: electricity	2012	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate Rall, 17 Prince edward street, Advocates' chambers	Matter decided in favour of municipality. Costs being collected.	0
144	Suilaiman R v Msunduzi Municipality	Delictual Claim	1998	Internal	R50 000.00 plus interest at 15.5 per cent per annum.	57,750
145	T. Christodoulou and Sons	Aplpication for interdict by Municipality against developer for compliance with Planning and Development Act.	2012	TMJ Attorneys; Agrippa Mpungose: 033 341 9100.	Interdict granted by consent but costs reserved. Cost unknown at this stage. Risk of costs.	0
146	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2004	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R22 541.11 plus interest at 15.5 per cent per annum.	26,035
147	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2004	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R32 585. 78 plus interest at 15.5 per cent per annum.	37,637
148	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2006	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R13 283.82 plus interest at 15.5 per cent per annum.	15,343
149	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2006	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R 21697.25 plus interest at 15.5 per cent per annum.	25,060
150	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2005	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R34 806.17 plus interest at 15.5 per cent per annum.	40,201
151	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2005	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R 8071.64 plus interest at 15.5 per cent per annum.	9,323
152	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2011	Internal	R 7551.19 plus interest at 15.5 per cent per annum.	8,722
153	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	2012	Lister and Lister Attorneys	R 49 834.75 plus interest at 15.5 per cent per annum.	57,559
154	Telkom SA LTD v Msunduzi Municipality	Delictual Claim	Apr-13	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R 46 628.06 plus interest at 15.5 per cent per annum.	53,855
155	Telkom v. Msunduzi Municipality	Delictual Claim	2008	Lister and Lister Attorneys: Tel 033 345 4530 Fax: 033 342 7669 Physical Address 161 Pietermaritz Street, pietermaritzburg, 3201 Postal Address: PO Box 144, Pietermaritzburg, 3200.	R45 979. 87 Plus interest at 15.5 per cent per annum.	53,107
156	Terwolbeek PJ v Msunduzi Municipality	Delictual Claim	2008	Insurance	R1 121 620. 00 plus interest at 15.5 per cent per annum.	1,295,471
157	Thuthugisa Contracting Enterprise v. Msunduzi municipaliy	Memorandum of Agreement Dispu	2007	Internal	R210 749.00 Plus Vat at 14 per cent.	240,254

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY ENTITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2013

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2013	Amount as at 30 June 13
158	Thuthugisa Contracting Enterprise v. Msunduzi municipaliy	Contractual claim	2010	Internal	R8 051 632. 79 plus interest at 15.5 per cent per annum.	9,299,636
159	Transnet (PTY)LTD v Msunduzi Municipality	Delictual Claim	Mar-13	Internal	R 48 409.10 plus interest at 15.5 per cent per annum.	55,913
160	Union Risk Management Alliance (PTY) LDT v. Msunduzi Municipality	Delictual Claim	2011	Internal	R152 948.84 plus interest at 15.5 per cent per annum.	176,656
161	Unique Mbane	Claim by contractor for alleged breach of contract		Matthew Francis Inc.221 pietermaritz street,tel0873510600, fax:0862428747,e-mail:mail@mfilaw.co.za, Advote AJ Dieckson, 17 Prince Edward Street, Advocates' Chambers, tel: 38453542/3, fax: 38453544,e-mail:adickson@law.co.za		0
162	Uphill Trading	Bylaw Contraventions	2013	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate Rall, 17 Prince edward street, Advocates' chambers	Matter still to be decided.	0
163	VA Mlotshwa v. Msunduzi Municipality.	Application to compel the municipality to remove electril pole within the premises of the Applicant.	2013	Internal	Costs if unsuccessfull.	0
164	Van Straaten W(DR) v Msunduzi Municipality	Delictual Claim	2008	Internal	R96 401. 43 plus interest st 15.5 per cent per annum.	111,344
165	Venter A. v. Msunduzi Municipality	Delictual Claim	Nov-12	Internal	R 5473.80 plus interest at 15.5 per cent per annum.	6,322
166	Wood DM v. Msunduzi Municipality	Delictual Claim	Jul-12	Uys Matyeka Schwartz Attorneys: Tel 031 304 6063 Fax 031 304 2379. Physical Adress Suite 301 Nedbank Centre. Postal Address PO Box 1328, Durban, 4000.	R 123 000.00 plus interest at 15.5 per cent per annum.	142,065
167	Woolfsons Properties	Interdict:Building Contraventions	2012	Diedricks attorneys,90© Roberts road, claredon, pietermaritzburg, tel:3429808, fax:0862191672,e-mail:admin@diedriecksattorneys.co.za, Advocate LE Combrink 17 Prince edward street, Advocates' chambers,tel: 38453537,fax:3428941,e-mail:larence@group8.co.za	Costs in favour of municipality - R63313-98 collected.	73,128
168	Wozatainment CC v. Msunduzi Municipality	Contractual claim	2012	Internal	R 214 400.00 plus interest at 15.5 per cent per annum.	247,632
169	Yugen Brian Govender (Magicone Investments CC) 65 Pine Street	Application by Mnicipality to enforce aompliance with Planning and Development Act.	2012	Mr. Mathew Francis: 087 351 0608	Case not finalised. Costs if unsuccessful.	0
170	Zama SJ v Msunduzi Municipality	Delictual Claim	Dec-12	Internal	R 14 846.22 plus interest at 15.5 per cent per annum.	17,147
171	Zondi M. v Msunduzi Municipality	Delictual Claim	2006	Internal	R50 000.00 plus interest at 15.5 per cent per annum.	57,750
172	Zondi PS v Msunduzi Municipality	Delictual Claim	2007	Internal	R15 080.00 plus intererest at 15.5 per cent per annum.	17,417
173	Zulu TE v Msunduzi Municipality	Delictual Claim	2007	Internal	R 8709.22 plus interest at 15.5 per cent per annum.	10,059
174	Zuma NG v Msunduzi Municipality	Delictual Claim	2008	Internal	R100 000.00 Plus interest at 15.5 per cent per annum.	115,500
						42,529,437.35

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY

APPENDIX F

SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
1	R.Sulaiman v Msunduzi Municipality	Delictual Claim	1998	Internal	R 50 000, 00	50,000
2	Roelofse v Msunduzi Municipality	Delictual Claim	2002	Internal	R 41 032, 58 plus interest at 15, 5 % per annum.	47,393
3	MA Jewitt	Counter Claim	2003	Mr Bev Nicholson: TMJ Attorneys 033-341900 fax 0866169749 email tmj@tmj.co.za		
4	Premier of KZN v Msunduzi Municipality	Delictual Claim	2003	Internal	R 11 340, 00	11,340
5	R.B.Ngcobo v Msunduzi Municipality	Delictual Claim	2003	Internal	R 11 375, 27 plus interest at 15, 5 % per annum.	13,138
6	R.Haffejee v Msunduzi Municipality	Delictual Claim	2004	Internal	R 98 800, 00 plus interest at 15, 5 % per annum.	114,114
7	Telkom S.A Ltd v Msunduzi Municipality	Delictual Claim	2004	Richard Lister: Lister & Lister Attorneys 033-3454530 email rlister@listerandlister.co.za	R 32 585, 78 plus interest at 15, 5 % per annum.	37,637
8	Telkom S.A Ltd v Msunduzi Municipality	Delictual Claim	2004	Richard Lister: Lister & Lister Attorneys 033-3454530	R 22 541, 11 plus interest at 15, 5 %.	26,035
9	M.Omarjee v Msunduzi Municipality	Delictual Claim	2005	Internal	R 31 000, 00	31,000
10	S.Makhaya v Msunduzi Municipality	Delictual Claim	2005	Internal	R 42 704, 96 plus interest	42,705
11	Telkom S.A Ltd v Msunduzi Municipality	Delictual Claim	2005	Richard Lister: Lister & Lister Attorneys 033-3454530 email rlister@listerandlister.co.za	R 34 806, 17 plus interest at 15, 5 % per annum.	40,201
12	Telkom S.A Ltd v Msunduzi Municipality	Delictual Claim	2005	Internal	R 8 071, 64 plus interest at 15, 5 % per annum.	9,323
13	Woodley v Msunduzi Municipality	Delictual Claim	2005	Mr Forrester: Savage Jooste & Adams Attorneys 0124528200		
14	Zeedim Investment v Msunduzi Municipality	Delictual Claim	2006	Mr Afzal Akoo: Afzal Akoo & Partners 033-3947272		
15	I. Ogilvie	Delictual Claim	2006	Insurance	R 166 160.54 plus interest at 15% per annum	191,085
16	K.Chetty v Msunduzi Municipality	Delictual Claim	2006	Internal	R 26 169, 86.	26,170
17	Painter v Msunduzi Municipality	Delictual Claim	2006	Internal	R 45 361, 38 plus interest at 15, 5 % per annum.	52,392
18	G.Dladla v Msunduzi Municipality	Delictual Claim	2006	Internal	R 20 000, 00 plus interest at 15, 5 % per annum.	23,100
19	Piexoto v Msunduzi Municipality	Delictual Claim	2006	Internal	R 39 822, 89 plus interest at 15, 5 % per annum.	45,995
20	M.Zondi v Msunduzi Municipality	Delictual Claim	2006	Internal	R 50 000, 00 plus interest at 15, 5 % per annum.	57,750
21	Telkom S.A Ltd v Msunduzi Municipality	Delictual Claim	2006	Richard Lister: Lister & Lister Attorneys 033-3454530	R 13 283, 82 plus interest at 15, 5 % per annum.	15,343
22	Telkom S.A Ltd v Msunduzi Municipality	Delictual Claim	2006	Richard Lister: Lister & Lister Attorneys 033-3454530	R 21 697, 25 plus interest at 15, 5 % per annum.	25,060
23	F.Osman V Msunduzi Municipality	Delictual Claim	2007	Internal	R 306 666, 45	306,666
24	T.E.Zulu v Msunduzi Municipality	Delictual Claim	2007	Internal	R 8 709, 23	8,709

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
25	D.V. Ngcobo	Delictual Claim	2007	Insurance	R1800 000.00 plus interest at 15% Per annum	2,070,000
26	Orion Telecon v Msunduzi Municipality	Delictual Claim	2007	Internal	R92189.52+ 23047.38	115,237
27	Thuthugisa Contracting Enterprises	Memorandum of Agreement	2007	Internal	R 210 749, 00 plus vat at 14 %.	240,254
28	Hampton College v Msunduzi Municipality	Delictual Claim	2007	Ms Maharaj: Kruger Ngcobo Inc 0313064352	R 85 470, 00 plus interest at 15, 5 %.	98,718
29	R.Terry v Msunduzi Municipality	Delictual Claim	2007	Insurance	R 50 000, 00.	50,000
30	A& F.Mall v Msunduzi Municipality	Delictual Claim	2007	Internal	R 17 181, 33	17,181
31	E.Makungisa v Msunduzi Municipality	Delictual Claim	2007	Internal	R 6 213, 00	6,213
32	R.Rabikisson v Msunduzi Municipality	Delictual Claim	2007	Internal	R 20 000, 00	20,000
33	N.V.Majozi v Msunduzi Municipality	Delictual Claim	2007	Uys Matyeka Schwartz Attorneys	R 110 046, 28	110,046
34	P.S.Zondi V Msunduzi Municipality	Delictual Claim	2007	Internal	R 15 080, 00	15,080
35	Mamusa Marketing v Msunduzi Municipality	Delictual Claim	2007	Internal	R 9 823,48 plus interest at 15,5 % per annum.	11,346
36	Willowgardens Flats	Debt recovery and Evictions	2007	Mr Y Bhamjee: Y Bhamjee Attorneys 033-3942008		
37	Willowgardens Flats	Debt recovery and Evictions	2007	Advocate Padayachee SC 033-8453570		
38	South African Local Authorities Pension Fund v Msunduzi Municipality	Pension Surcharge	0	Internal	R 217 184, 13 plus interest at 15, 5 % per annum.	250,848
39	Msunduzi Municipality v D.L. Petersen	Delictual Claim	2008	Internal		
40	Mkhumbuzi v Msunduzi Municipality	Delictual Claim	2008	Internal	R 100 000, 00	100,000
41	Nzaba v Msunduzi Municipality	Delictual Claim	2008	Bhamjee Attorneys	R 73 500, 01	73,500
42	P.J.Terwolbleek v Msunduzi Municipality	Delictual Claim	2008	Insurance	R 1 121 620, 01	1,121,620
43	Mouton v Msunduzi Municipality	Delictual Claim	2008	Mr Y Bhamjee: Y Bhamjee Attorneys 033-3942008	R 14,000.00	14,000
44	Telkom v Msunduzi Municipality	Delictual Claim	2008	Richard Lister: Lister & Lister Attorneys 033-3454530 email rlister@listerandlister.co.za	R 45 979, 87 plus interest at 15, 5 % per annum.	53,107
45	R.S.Govender v Msunduzi Municipality	Delictual Claim	2008	Internal	R 75 000, 00	75,000
46	N.G.Zuma v Msunduzi Municipality	Delictual Claim	2008	Internal	R 100 000, 00 plus interest at 15, 5 % per annum.	115,500
47	Dr W Van Straaten Motor Accident-NP 3238	Delictual Claim	2008	Internal	R 96 401, 43	96,401
48	Ayoob Moosa	Interdict by municipality against owner for unauthorised town planning use of property.	2008	R. Lister :033-3454530 Advocate Mike Southwood 031 - 3048054 fax 031-3076899 southwood@yebo.co.za		-
49	NT Dlomo / N.Cele	Interdict against municipality: to set aside building plan approval	2008	Ngcobo, Poyo & Diedricks:033-3419240: Adv.P. Buzuidenhout SC 033-8453522 fax 0333943734	Case not finalised. Costs if lost.	
50	PMB & District Indian Funeral	Retransfer of Council Property	2008	Mr Aubrey Ncgobo, Ncgobo, Poyo and Diedricks phone 033-3943952 fax 033 3943961 email ndp@sai.co.za	Unable to be estimated at this point in time	
51	PMB & District Indian Funeral	Retransfer of Council Property	2008	Advocate Rob Seggie 033-8453509 fax number 033-3453062 seggie@worldonline.co.za		

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
52	T Gonasillan v Msunduzi Municipality	Delictual Claim	2009	Internal	R 100 000, 00 plus interest at 15, 5% per annum.	115,500
53	F.B.I. Khan v Msunduzi Municipality	Delictual Claim	2009	Internal	R 63 280, 39 plus interest at 15, 5 % per annum	73,089
54	R.Y Khan v Msunduzi Municipality	Delictual Claim	2009	Internal	R 1267.00 plus interest at 15, 5 % per annum	1,463
55	S.Mthimkulu v Msunduzi Municipality	Delictual Claim	2009	Mr Shwartz/Mr Gcaba, Uys Matyeka Schwartz Attorneys 0313046063	R 204 650, 00 plus interest at 15, 5 % per annum.	236,371
56	Blue Thunder Trading CC/ TA Khanyisa Energy Management and Services	Delictual Claim	2009	Vather Attorneys	R223 576.00 plus interest at 15% per annum	257,112
57	Stand 2436 PMB (pty) Ltd.	Delictual Claim	2009	Cajee Setsubi Chetty Inc. & Adv Dickson		
58	SAPPI	Delictual Claim	2009	Insurance	R25000 000.00	25,000,000
59	Keshwa v Msunduzi Municipality	Delictual Claim	2009	Internal	R 30 470, 12 plus interest at 11, 5 % per annum.	33,974
60	B.A.Clark v Msunduzi Municipality	Delictual Claim	March 2009	Mr Logan Chetty: Vather Attorneys Phone 033-342-4099 fax 033-3424075 email- vathers@hotmail.com	R379 975.84	379,976
61	Shortts Retreat	Interdict by land owners against illegal occupiers, municipality ordered to provide temporary housing & basic services. Municipality made application to vary the relocation order – now seeking expropriation of	Municipality joined as party in July 2009	Adv. Dickson SC, TEL:033-8453542 adickson@law.co.za and Mr Julian von Klemperer : 033- 3458101	(1) Costs of applications - unknown at this time. (2) Do not know whether application for variation, alternatively contempt will be granted.	
62	Bishop's Roadworks	Contractual Claim	Nov 2009	Internal	R120 000-00	120,000
63	Chadya: 69 Railway Street	Interdict for reconnection of electricity. Matter not finalized.	Nov 2009	Adv. P. Bezuidenhout: 0824433836: K Tytherleigh withdrew Agrippa Mpungose: 033 3419100	Case not decided. Costs if case is lost.	
64	Billboards	Townbush Road order obtained by municipality for removal of billboards.	Dec 2009	Adv Ganie 033-8453517 email hoosen@iafrica.com Udesh Ramesar:3459569 (033) 345-9571	Possibility that costs of removal be incured by the municipality/ not fully recovered. Building Survey to facilitate. Legal costs.	
65	Gavin's Panel Shop	Contractual Claim	2010	Internal	R2424-50	2,425
66	Gavin's Panel Shop	Contractual Claim	2010	Internal	R5519-06	5,519
67	Gavin's Panel Shop	Contractual Claim	2010	Internal	R5586-00	5,586
68	Gavin's Panel Shop	Contractual Claim	2010	Internal	R1721-40	1,721
69	Gavin's Panel Shop	Contractual Claim	2010	Internal	R4902-00	4,902
70	Gavin's Panel Shop	Contractual Claim	2010	Internal	R5163-06	5,163
71	Gavin's Panel Shop	Contractual Claim	2010	Internal	R5506-20	5,506

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY

APPENDIX F

SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
72	Resslar Investment	Interdict for reconnection of electricity. Matter not finalized.	Feb 2010	Adv.Snyman: 033-8453524 email snyman@pmblaw.co.za K Tytherleigh withdrew	Case not decided. Costs if lost.	
73	Exalon 6 CC	Interdict for reconnection of electricity. Matter not finalized.	Feb 2010	Adv.Snyman:033-8453524: email snyman@pmblaw.co.za	Case not decided. Costs if lost.	
74	Kogulan Naidoo	Delictual Claim	Mar 2010	Internal	R100 000-00	100,000
75	HS Majozi	Delictual Claim	Mar 2010	Internal	R95 000-00	95,000
76	BM Dlamini	Delictual Claim	Mar 2010	Internal	R 300 000.00	300,000
77	Daljeeth Daljeeth	Delictual Claim	2010	Mr Shwartz/Mr Gcaba, Uys Matyeka Schwartz Attorneys 0313046063	R200 000.00	200,000
78	MS Singh	Delictual Claim	2010	Internal	R69 224.62	69,225
79	TT Ngubane	Delictual Claim	2010	Internal/Insurance	R118 490.00	118,490
80	GP Bayeni	Delictual Claim	2010	R 97 430.00	R 97 430.00	97,430
81	VD Ramdeen	Delictual Claim	2010	Mr Afzal Akoo, Afzal Akoo & Partners phone 0333947274 Fax 0866149242 & Adv. Fleming phone 033-8453576 fax 033-3948374	R100 000.00 & R4438.00	104,438
82	M Mlaba	Delictual Claim	2010	Internal	R100 000.00	100,000
83	Thuthugisa Contracting Enterprises	Contractual Claim	2007	Internal	R8 051 632.79	8,051,633
84	J Mahlaba	Delictual Claim	January 2010	Internal	R21406-36 and R 2650	24,056
85	Longlife tyres (PTY) LTD	Contractual Claim	July 2010	Internal	R592 589-77	592,590
86	Gail Gayer	Delictual Claim	July 2010	Mr Shwartz/Mr Gcaba, Uys Matyeka Schwartz Attorneys	R262 473-98	262,474
87	M. C. Mncwabe	Delictual Claim	Aug 2010	Internal	R71 500.00	71,500
88	H. Selepe	Delictual Claim	Sept 2010	Internal	R5 189.35	5,189
89	B. Mahlaba o.b.o. AY Mahlaba	Delictual Claim	Sept 2010	Internal/ Insurance	R 1000 000.00	1,000,000
90	N Mans	Delictual Claim	Sept 2010	Internal	R7 045.75	7,046
91	Mutual and federal	Delictual Claim	Sept 2010	Internal	R22 829.59	22,830
92	Ronald Reddy	Contractual Claim	Sept 2010	Internal	R 282 818.08	282,818
93	AB Mavundla	Delictual Claim	Oct 2010	Internal	R100 000.00	100,000
94	SS Ngidi	Delictual Claim	Oct 2010	Internal/ Insurance	R2200 000.00	2,200,000
95	N Raghu	Delictual Claim	Dec 2010	Internal/ Insurance	R500 000.00	500,000
96	R Bhoodram	Delictual Claim	Dec 2010	Internal	R32 552.00 and R 30.03	32,582
97	BC Mbatha	Delictual Claim	Nov 2010	Internal	R16 794.48	16,794
98	EW de Lange	Interdict	2010	Richard Lister: Lister & Lister Attorneys 033-3454530/ Adv Snyman 033-8453524 email snyman@pmblaw.co.za		
99	NK Mpongose	Delictual Claim	Jan 2011	Internal	R23 946.42	23,946
100	Y Ahren	Delictual Claim	Feb 2011	Internal	R14 845.71	14,846
101	NN Pandaram	Delictual Claim	Feb 2011	Internal	R 11 267.11	11,267
102	TR Nxumalo	Delictual Claim	April 2011	Internal	R 21 791.04	21,791

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
103	Mkhize Majola & Associates	Delictual Claim	April 2011	Internal	R 14,966.98	14,967
104	Crescent Motor Brokers and Agents CC	Delictual Claim	April 2011	Internal	R 100 000.00	100,000
105	3 DM Contractors	Contractual Claim	May 2011	Internal	R 66 930.35	66,930
106	Z. Nondzanga	Delictual Claim	May 2011	Internal	R 22 232.97	22,233
107	Roy Hesketh Racing Track	Land sold to developer. Did not develop as per agreement. Possibility of municipality having to purchase	N/A	N/A	Apparently another develpoer indicated possible purchase from current	
108	Planet Waves 399	Council witholding payment to contractor that built sludge dams. Possibility of eventual liability.	N/A	N/A	Risk of having to pay ouststanding payment partially or in full. Amount witheld is currently +- R1,2 million. Costs of repairing estimated	2,400,000
109	Union Risk Management Alliance (Pty)Ltd.	Delictual Claim	May 2011	Internal	R 152 948.84	152,949
110	N.B. Dladla	Delictual Claim	June 2011	Internal	R 109 038.97	109,039
111	Khuselani Security	Contract	June 2011	Internal	R 1830 532.00	1,830,532
112	Impress Services (Pty) Limited	Delictual Claim	June 2011	Internal	R29 238.27 & R 1638.70	30,877
113	P.G. Vather	Delictual Claim	June 2011	Internal	R 12 659.99	126,560
114	Kwenzokuhle Construction	Contract	June 2011	Internal	R2 178 000.00	2,178,000
115	Relief Interio and Joinery CC	Delictual Claim	June 2011	Internal	R 45 080.00	45,080
116	Derby Supermarket	Delictual Claim	June 2011	Internal	R444 400.00	444,400
117	Ds Cremators	Delictual Claim	June 2011	Internal	R 27 789.37	27,789
118	T Christodoulou and Sons	Application for interdict by Municipality against developer for compliance with Planning and Development Act.	2012	TMJ –Attorneys:Agrippa Mpungose: 033-341 9100 Adv CJ HartzenbergSC:033-8453553	Interdict granted by consent but costs reserved. Cost unknown at this stage. Risk of costs	
119	KZN – Digi Connect	Claim by contractor for payment for IT –services allegedly rendered.	2012	Mr Alwyn Volsum 033- 3948116 Adv V Naidoo 033-8453535	Claim for R500 000 plus interest plus legal costs. Not yet decided.	500,000
120	APS Panelbeaters	Interdict application to prohibit electricity disconnection.	2011	TMJ –Attorneys:Agrippa Mpungose: 033-341 9100 Adv.Snyman: 033-38453524	Case to be heard end of August 2012. Costs if unsuccessful	
121	Innocent & Smangele Mchunu 3 Oban Drive.	Application by Municipality to enforce compliance with Planning and Development Act.	2012	Mr Matthew Francis:087 351 0608	Pleadings not yet closed. Costs if unsuccessful.	
122	Yugen Brian Govender (Magicone Investments CC) 65 Pine Street	Application by Municipality to enforce compliance with Planning and Development Act.	2012	Mr Matthew Francis:087 351 0608	Case not finalised. Costs if unsuccessful	

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APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
123	Pyarchand Meganbehare Vinesh Singh 44 Rosedale Road	Application by Municipality to enforce compliance with Planning and Development Act	2012	Mr Matthew Francis:087 351 0608	Case not finalised. Costs if unsuccessful	
124	Shepstone House Two Ltd	Application to prohibit disconnection and counter application to prohibit illegal occupation and electricity connection	2012	Mr Diedricks: Diedricks Attorneys: 0833754036 Adv A Rall SC: 0338453529	Case not finalised. Costs if unsuccessful	
125	M. Naidoo	Delictual Claim	Jul-12	Internal/ Insurance	R370 000.00 +15% interest per annum	425,500
126	D.J.G. Hanes	Delictual Claim	Sep-11	Internal	R25 000.00 +15% interest per annum	28,750
127	Hilton Vet Clinic CC	Delictual Claim	Sep-11	Venn Nemeth and Hart Attorneys	R 390 270.21 +15% interest per annum	448,811
128	Telkom SA Limited	Delictual Claim	Nov-11	Internal	R7 551.19 +15% interest per annum	8,684
129	M.L. Joubert	Delictual Claim	Nov-11	Internal	R 100 550.00 +15% interest per annum	115,633
130	J. Kroese	Delictual Claim	Dec-11	Internal	R 40,000.00	40,000
131	N. Ngubo	Delictual Claim	Jan-12	Internal	R9063.12 +15% interest per annum	10,423
132	T.W. Mabaso	Delictual Claim	Feb-12	Internal	R 850.43 + 15% interest per annum	978
133	Sayed t/a Metro Taxis and Yellow Cabs	Delictual Claim	Feb-12	Internal	R15 950.52 + 15% interest per annum	18,343
134	J. Putsoane	Delictual Claim	Feb-12	Internal	R20 298.12 +15 % interest per annum	23,343
135	C.J. De Meyer	Delictual Claim	Apr-12	Internal	1 .25 361.49 + interest per annum. 2 .30.03 +15% interest per annum.	29,200
136	Bishop's Roadworks	Delictual Claim	Apr-12	Internal	1 .19 609.98 + interest per annum. 2 .12 938.95 +15% interest per annum.	34,490
137	. W. Ahmed	Delictual Claim	Apr-12	internal	R35 700.92 +15% interest per annum	5,355
138	Rosedew Investments CC	Delictual Claim	May-12	Internal	R160 716.94 +15% interest per annum	184,824
139	Telkom SA Limited	Delictual Claim	May-12	Lister and Lister Attorneys	R 49 834.75 + 15% interest per annum	57,310
140	R. Bridgnarain	Delictual Claim	May-12	Internal	1 .R4570.36 + interest per annum. 2 .R50 000 +15% intrest per annum.	62,070

THE MSUNDUZI MUNICIPALITY AND ITS MUNICIPALITY
APPENDIX F
SCHEDULE OF CONTINGENT LIABILITIES AS AT 30 JUNE 2012

NO.	MATTER	MATTER TYPE	YEAR INITIATED	ATTORNEY/ADVOCATE INSTRUCTED	Risk to the municipality as at 30 June 2012	Amount as at 30 June 12
141	K. Govender	Delictual Claim	Jun-12	Internal	R 180 000.00 + 15% Interest per Annum	207,000
142	M.H. Cassimjee	Delictual Claim	Jun-12	Internal	R 4015.00 + 15% Interest Per Annum	4,617
143	O. Nunthoolal	Delictual Claim	Jun-12	Internal	1 .R10394.06 + interest per annum. 2 .R500.00 +15% intrest per annum.	12,528
144	S.G. Padayachi	Debatement of Account	Jun-12	Internal	There is no monitory claim; however Council could be liable for legal costs.	
145	L. Balnag & F Balnag	High Court Application	2011	Afzal Akoo and Partners	There is no monitory claim; however Council could be liable for legal costs.	
146	Surendra Singh	High Court Application: Disconnection of Electricity Supply	2011	Afzal Akoo &Partners/Adv. S.Jasat	The matter has been settled with Council Paying Legal costs. R35 760.40	35,760
147	Subrimoney	High Court Application: Disconnection of Electricity Supply	2012	Mastroos Attorneys	There is no monitory claim; however Council could be liable for legal costs.	
						56,306,436